H2 STAFFING

RESEARCH & WORKFORCE INTELLIGENCE

The Economics of Healthcare Recruitment

2026 HEALTHCARE RECRUITMENT ROI STUDY

The financial impact of leadership vacancies, hiring delays and recruitment strategy.

A decision-support report for healthcare executives

Hospitals • Health systems • ASCs • Post-acute organizations • Physician enterprises

Prepared by H2 Staffing, LLC | 2026 Edition

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Executive Brief & Contents

A transparent framework for evaluating healthcare leadership vacancy economics without relying on generic salary multipliers or assuming that an outside search always produces positive ROI.

$123,860	24%	62,300
2025 median annual pay Medical & Health Services Managers	Projected employment growth 2025-2035	Average annual openings projected over the decade

Purpose. H2 Staffing developed this report to help healthcare leaders compare the forward-looking economics of continuing an internal search with a professional-search scenario. The model separates costs already incurred from costs that change based on the decision made today.

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The 2026 Healthcare Workforce Context

Healthcare leadership recruiting decisions are being made in an environment of high labor expense and strong demand for health-services management talent.

The U.S. Bureau of Labor Statistics reports a May 2025 median annual wage of $123,860 for medical and health services managers. Employment is projected to grow 24% from 2025 to 2035, with about 62,300 openings each year on average over the decade.

The American Hospital Association's 2026 Costs of Caring report says hospitals spent more than $1 trillion on workforce in 2025. Workforce represented about 60% of hospital expenses and workforce costs increased 5.6% in 2025.

These figures provide market context; they are not automatically inserted into H2 Staffing's ROI model. A facility's own documented costs and assumptions should drive its decision.

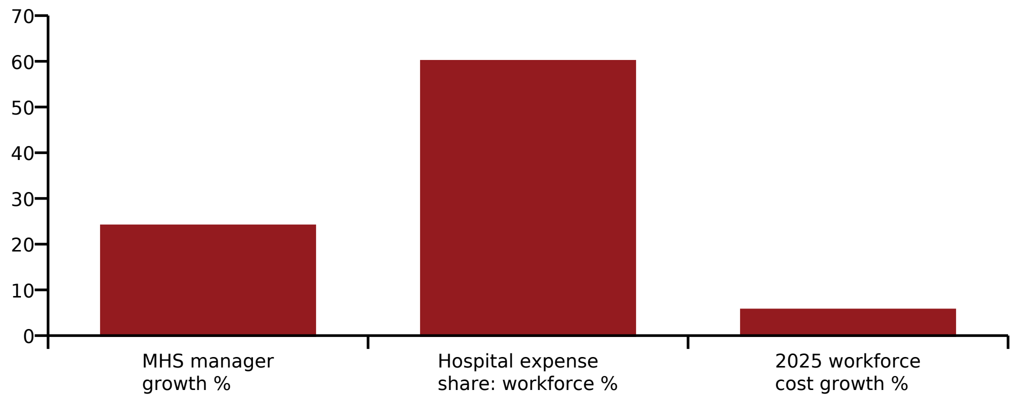

Figure 1. Selected workforce context from BLS and AHA. Different measures and populations are shown side-by-side for context, not as a combined benchmark.

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Why Leadership Vacancies Are Different

The cost of an unfilled leader is rarely captured by salary alone.

Clinical operations	Throughput, staffing decisions, quality initiatives and escalation pathways
Finance	Budget ownership, revenue-cycle oversight, capital planning and reporting cadence
Surgical services	OR utilization, block-time governance, staffing, vendors and physician coordination
ASC / post-acute administration	Survey readiness, staffing, physician relations and growth initiatives
Human resources	Recruiting throughput, employee relations, retention programs and compliance

The unfilled leader's salary is generally a poor proxy for economic loss. If compensation is not being paid, that amount is not automatically a cost. More defensible inputs include overtime or extra-duty payments, interim-leader invoices, recruiting labor, paid sourcing, and measurable operational effects that finance or operations can support.

If an operational effect cannot be supported, enter zero. A conservative model is more useful than a large but fragile estimate.

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The Cost-of-Vacancy Architecture

A four-bucket structure makes the assumptions visible and helps prevent double counting.

1	**Internal recruiting cost**	HR/recruiter labor, hiring-manager labor, executive interview time, advertising, sourcing and other direct recruiting expense.
2	**Coverage & interim cost**	Overtime, acting-leader stipends, interim or contract leadership, travel and other vacancy-driven coverage.
3	**Measurable operational impact**	Capacity, throughput, delayed initiatives or other effects the organization can reasonably quantify. Zero is acceptable.
4	**Search investment**	Professional search fee plus direct search-related expenses in the alternative scenario.

Avoid the sunk-cost trap

Recruiting expense or coverage cost already incurred should be shown as context, but it should not automatically be charged again to the future internal-search scenario. The web calculator compares forward-looking costs from today while still displaying entered internal recruiting expense as context.

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Internal Recruiting: The Cost People Forget

Internal recruiting consumes compensated time even when there is no external invoice.

Internal recruiting labor	**Σ (hours spent × loaded hourly cost)**
Direct internal expense	**advertising + sourcing + travel + assessments + other direct expense**

HR / recruiter	40	$55	$2,200
Hiring manager	25	$85	$2,125
Executive interviews	12	$150	$1,800
Advertising / sourcing	-	-	$3,500
Other recruiting expense	-	-	$2,500
Total	-	-	$12,125

Illustrative only. Use actual loaded labor rates and realistic time estimates whenever possible.

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Coverage, Interim Leadership & Operational Drag

Time-sensitive vacancy cost is often driven more by coverage and operational effects than by recruiting expense.

A practical model converts documented vacancy-related cost to a daily run rate, then applies that rate only to the additional days expected under each future scenario.

Daily time-sensitive cost = (coverage cost to date + interim cost to date) ÷ days vacant + measurable operational impact per day

Coverage / overtime	Payroll or finance data	Estimate is anecdotal
Interim leadership	Invoice / contract	Cost would exist regardless of vacancy
Capacity / throughput	Finance or operations analysis	Revenue is confused with contribution margin
Delayed project	Approved business case / project plan	Timing impact is speculative
Compliance / survey risk	Documented corrective action or outside cost	A dollar value is assigned without support

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A Forward-Looking ROI Model

The decision point is today. Compare only future costs that differ between realistic alternatives.

Step	Calculation
A	Current daily time-sensitive vacancy cost = documented daily coverage/interim + entered operational impact
B	Continue internally = daily time-sensitive cost × additional internal-search days
C	Professional search = daily time-sensitive cost × additional professional-search days + search investment
D	Estimated economic benefit = Continue internally - Professional search
E	Estimated ROI = Estimated economic benefit ÷ search investment × 100

Positive modeled benefit: under the entered assumptions, the professional-search scenario costs less from today forward. Negative modeled benefit: the search investment is greater than the time-sensitive costs avoided. Neither is a guarantee; both are scenario results.

The model does not assume that H2 Staffing - or any search partner - will fill a role faster. The user enters the alternative timeline.

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Illustrative Healthcare Leadership Scenarios

These examples demonstrate model behavior. They are not H2 Staffing fee quotes, performance claims or promised timelines.

ASC Administrator	$130,000	75 days	30 days	$250	$30,000
Director of Nursing	$145,000	75 days	30 days	$400	$32,500
Director, Surgical Services	$155,000	75 days	30 days	$400	$35,000
Chief Nursing Officer	$210,000	105 days	45 days	$650	$47,500
Hospital CFO	$260,000	120 days	60 days	$750	$58,000

Salary is context only. The model does not multiply salary by vacancy duration. Because assumptions vary, a scenario may show negative ROI. That is intentional: the framework tests economics rather than manufacturing a positive answer.

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Worked Example: Director of Surgical Services

A transparent example showing why timeline and daily cost assumptions matter.

Assume the position has already been vacant 45 days. The organization estimates 75 additional days to fill internally versus 30 additional days using a search partner. Documented coverage and operational effects imply a $400 daily time-sensitive cost. Estimated search investment is $35,000.

Additional days from today	75	30
Daily time-sensitive cost	$400	$400
Future time-sensitive cost	$30,000	$12,000
Search investment	$0	$35,000
Total future scenario cost	$30,000	$47,000

Result: the professional-search scenario is $17,000 more expensive under these assumptions. The appropriate response is not to hide the result; it is to test what would need to change - timeline, daily impact, fee, or some combination - before an outside search becomes economically favorable.

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Sensitivity & Break-Even Analysis

ROI changes with the vacancy's daily impact, the timeline difference and the search investment.

Daily cost	Days saved	Time-cost avoided	Search investment	Net benefit
$250	45	$11,250	$35,000	-$23,750
$500	45	$22,500	$35,000	-$12,500
$750	45	$33,750	$35,000	-$1,250
$1,000	45	$45,000	$35,000	$10,000
$1,500	45	$67,500	$35,000	$32,500

A simplified break-even daily cost equals search investment ÷ days saved. With a $35,000 search investment and 45 days saved, break-even is approximately $778 per day, assuming all other inputs remain constant.

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Using the H2 Staffing Online Calculator

The report provides the framework. The online calculator lets a healthcare organization test its own assumptions.

1	Define the role Enter position/title, salary for context, days already vacant and realistic future timelines.
2	Quantify recruiting effort Enter HR, hiring-manager and executive interview hours plus loaded rates.
3	Enter direct costs Add advertising, sourcing, coverage, overtime, interim leadership and other direct expenses.
4	Add operational impact carefully Enter a daily amount only if the organization can reasonably support it. Otherwise use zero.
5	Compare scenarios Enter estimated search investment and review future scenario cost, modeled benefit and ROI.

H2Staffing.com/healthcare-recruitment-roi/

The calculator is free to use and does not require registration for on-screen results. Inputs remain in the user's browser unless the user separately chooses to contact H2 Staffing.

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Decision Framework for Healthcare Executives

A recruiting decision should survive questions from finance, operations, HR and the hiring executive.

What costs are actually caused by the vacancy?	Separates measurable impact from generic vacancy claims.
Which costs are already sunk?	Prevents double counting in a decision made today.
How much leadership and recruiting time is being consumed?	Makes internal resource use visible.
What is the realistic additional internal time-to-fill?	Creates the baseline future scenario.
What alternative timeline is reasonable?	Avoids assuming an external partner is automatically faster.
Can finance validate the daily operational-impact assumption?	Improves credibility of the model.
What would make the search investment break even?	Turns the discussion into a testable threshold.
What are the nonfinancial risks?	Quality, continuity, compliance and strategic delay may matter even when difficult to monetize.

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H2 Staffing's Position

Recruitment economics should be transparent enough that a client can change an assumption and immediately see the answer change.

H2 Staffing focuses on healthcare leadership search and permanent placement. Our approach to this ROI framework is deliberately conservative: we do not count unpaid salary as automatic loss, we do not insert a universal cost-of-vacancy multiplier, and we do not assume professional search will always create positive ROI.

The goal is to help a healthcare organization make a better decision - including the possibility that continuing internally is economically reasonable under the assumptions entered.

Search discipline	A defined process, structured candidate evaluation and coordinated stakeholder communication.
Healthcare context	Recruiting conversations built around healthcare leadership responsibilities and organizational needs.
Confidentiality	A controlled search process for sensitive leadership transitions and passive-candidate outreach.
Market reach	Targeted outreach beyond applicants who happen to see a public posting.
Executive time	A process designed to reduce avoidable screening and coordination burden on leadership.

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Methodology, Limitations & Sources

Published benchmarks provide context; the H2 Staffing calculator relies on user-entered assumptions for the actual scenario comparison.

Methodology

The H2 Staffing ROI framework is a scenario model. It separates already-incurred recruiting and vacancy costs from forward-looking costs. Future time-sensitive cost is based on the additional days entered for each scenario and the user's daily vacancy-cost assumptions. Search investment is added only to the professional-search scenario. Salary is displayed for context and is not automatically treated as vacancy loss.

Limitations

This report and the online calculator are educational decision-support tools, not financial, accounting, legal, employment or investment advice. Results are estimates based on assumptions and do not guarantee savings, hiring speed, candidate availability, retention, revenue, quality outcomes or business performance. Published workforce benchmarks may describe populations different from a specific facility, geography or leadership role.

Primary sources

• U.S. Bureau of Labor Statistics. Occupational Outlook Handbook, Medical and Health Services Managers. May 2025 median annual wage: $123,860; projected 2025-2035 growth: 24%; approximately 62,300 openings per year.

• American Hospital Association. Costs of Caring: Challenges Facing America's Hospitals as They Care for Patients in 2026. Reports more than $1 trillion in 2025 hospital workforce spending, workforce cost growth of 5.6%, and workforce representing about 60% of total hospital expenses.

Source links: bls.gov/ooh/management/medical-and-health-services-managers.htm | aha.org/costsofcaring

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