

Forecasting in Health Care

Forecasting is a method of estimating future aspects of a business operation. In health care, forecasting occurs by gathering a set of numbers or scenarios from past occurrences that potentially predicts future events. Forecasting does not rely on gut feelings, instincts, or guesswork, but on past occurrences. Hence, the main purpose of forecasting is to predict future events.

There are two kinds of forecasting: short-range forecasting for less than 1 year planning and long-range forecasting for event planning that exceed 1 year. For example, a local hospital that wants to know what specific cancer services to invest and expand on can look at patient's charts and see the number of patients that have used those services in the last 6 months, 1 year, 2 years, and 5 years. The information about patient demand will potentially drive what cancer treatment service the hospital will choose to invest in.