

EBOOK

How to Build a Healthcare Forecast that Holds Up



Introduction

Why Healthcare Forecasting Is Different

Healthcare finance isn't just about numbers on a spreadsheet—it's about keeping care accessible, staff supported, and the organization stable in the middle of constant change. One week, patient volumes surge; the next week, they fall. Labor shortages send payroll soaring. Reimbursements get delayed, policies shift, and suddenly, cash flow is on the line.

For finance leaders, every one of these changes carries weight. Because behind every forecast are real consequences: delayed equipment upgrades, stretched nursing teams, or patients waiting longer for care.

The problem? Traditional spreadsheets snap under this kind of pressure. They weren't built to flex with changing assumptions, and they leave leaders reacting instead of planning.

That's why more healthcare CFOs are building **scenario-ready forecasts** that bend without breaking, forecasts that let them run "what if" scenarios, prepare for uncertainty, and give boards a clear line of sight into what's coming. Let's dive in.



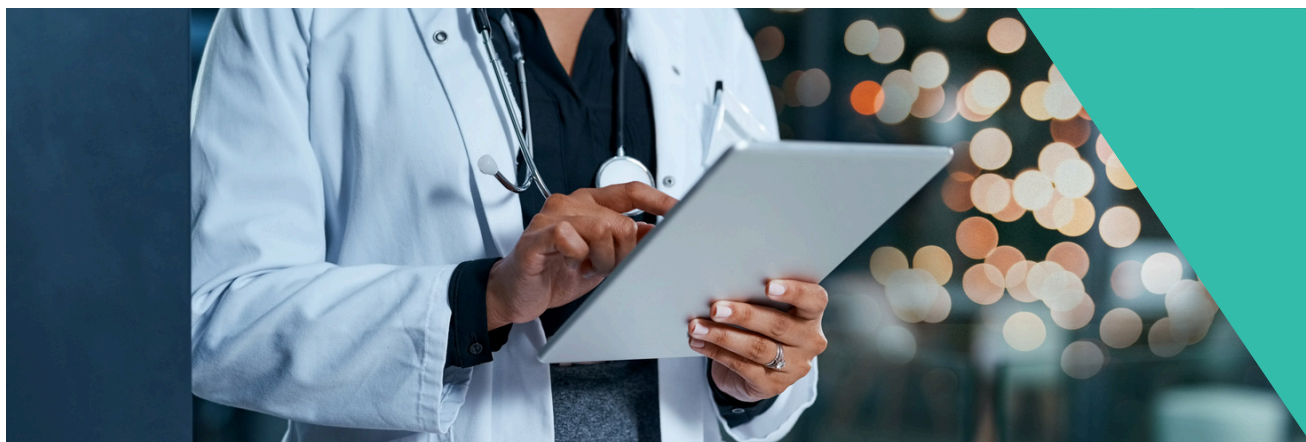
01.

Modeling Cost per Procedure to See the True Margin

Imagine walking into a board meeting and being asked: *“What’s the true margin on our surgical program?”* If your model only looks at physician and supply costs, the picture looks rosy. But add in nursing shifts, facility costs, and post-op care—suddenly margins shrink, or even go negative.

This is where the story changes. By modeling costs at the procedure level, finance teams uncover which services lift the organization and which quietly drain resources. That knowledge empowers tough but strategic decisions: renegotiating payer contracts, shifting resources to higher-margin service lines, or rethinking where investments will make the biggest difference.

Unit-cost modeling shouldn’t be guesswork. It should provide a clear and detailed perspective that enables leaders to invest wisely and effectively, ensuring both finances and patient care remain stable.



02.

Planning for Reimbursement Lag and Value-Based Care

Few industries experience cash flow disruptions like healthcare. Payments don't arrive at the point of service; instead, they're delayed by insurance processing, government reimbursements, and complex billing cycles. Add in the transition to value-based care, where reimbursements are tied to quality metrics rather than volume, and forecasting becomes even trickier.

A strong financial forecast anticipates reimbursement lag by modeling delays explicitly. For example, a CFO might assume Medicare reimbursements arrive in 90 days rather than 30. By building lag assumptions into the forecast, finance teams avoid overestimating short-term cash availability.

At the same time, value-based care contracts require forecasting not just for revenue, but for potential penalties or bonuses tied to performance outcomes. The ability to model both fee-for-service and value-based streams side by side helps finance leaders prepare for a shifting reimbursement landscape. Without these adjustments, organizations risk running short on cash—or worse, making investment decisions based on overly optimistic revenue projections.



03.

Workforce Costs: Attrition, Shifts, and Delayed Backfills

Labor accounts for up to 60% of healthcare operating costs—and it's also the most volatile. Rising turnover, expensive contract labor, shift differentials, and hiring delays make workforce planning one of the toughest forecasting challenges. Consider nursing attrition: a single vacancy doesn't just reduce payroll, it often triggers costly contract labor that can double or triple the expense of filling that shift. Night, weekend, and holiday premiums only add more complexity. And even when leadership approves new hires, the time it takes to recruit, onboard, and train can stretch months, leaving a costly gap.

Too often, static forecasts miss these realities—and budgets fall short. Centage solves this by enabling finance teams to model attrition, shift differentials, and delayed backfills as real forecast drivers. You can quickly test what-if scenarios by integrating [scenario planning](#) directly into forecasts. What if turnover rises 5%? What if contract labor costs double?—and immediately see how it impacts payroll, patient throughput, and overall cash flow.

The payoff: CFOs and FP&A leaders don't just react to staffing crises—they anticipate them.

04.

Patient Volume Forecasting by Service Line

Patient demand isn't evenly distributed across a healthcare system. Emergency departments, elective surgeries, outpatient clinics, and specialty services all experience different utilization patterns. A single forecasting model that treats patient volume as a uniform trend misses critical nuances.

For example, elective surgeries may spike after insurance deductibles reset in January, while outpatient visits may decline in summer. Meanwhile, emergency visits often rise in flu season. Each service line has its own rhythm, and failing to account for these variations can distort both revenue and staffing forecasts.

Sophisticated forecasts break down patient volumes by service line, layering in seasonality, historical utilization, and market trends. This granular view allows finance teams to align staffing, supplies, and equipment with demand—reducing bottlenecks, avoiding overspending, and improving patient flow.

By linking patient volume forecasts to revenue and expense models, organizations gain a clearer, more actionable picture of future performance.



05.

The Domino Effect of Scenario Dependencies

In healthcare, no forecast variable exists in isolation. A staffing shortage in the ICU doesn't just increase overtime—it delays discharges, reduces bed availability, and lowers patient revenue downstream. Similarly, delayed reimbursements may strain cash flow, which in turn postpones capital investments.

Spreadsheets often fail to capture these dependencies. Finance teams end up chasing disconnected assumptions, leaving leadership without visibility into ripple effects.

Scenario planning solves this problem by linking assumptions together. For example, If labor attrition rises by 10%, how does that impact patient throughput, revenue, and ultimately cash flow? By modeling these “domino effects,” CFOs can show boards not just numbers, but cause-and-effect relationships that drive decision-making.

The ability to visualize dependencies is what separates a fragile forecast from one that leadership can trust.



06.

Managing Multi-Site Networks and Capital Investments

For multi-site healthcare networks, forecasting adds another layer of complexity. Costs and revenues must be allocated across facilities with different specialties, patient volumes, and payer mixes. Add in capital expenditures—new imaging equipment, IT systems, or facility expansions—and the challenge multiplies.

Traditional budgeting approaches often fail because they treat capital investments as isolated events. In reality, a major equipment purchase can drive ripple effects across staffing, depreciation schedules, and even reimbursement negotiations.

A resilient forecast allocates costs across sites, models capital investments over time, and integrates them into broader financial planning. This holistic approach ensures that leaders see the full impact of strategic decisions before committing funds.

By combining site-level visibility with long-term capital planning, finance teams provide boards with the clarity needed to balance immediate financial health with future growth.





The Next Step in Healthcare Financial Planning



In healthcare, the best forecasts do more than project numbers—they help leaders see around corners. With the right models, finance teams can anticipate shifts in patient volume, plan for workforce changes, and prepare for reimbursement delays before they become problems.

Centage gives healthcare CFOs, controllers, and finance leaders the tools to build forecasts that are flexible, reliable, and ready for every “what-if.” Instead of chasing numbers, you can focus on guiding strategy, supporting your team, and ensuring resources flow where they make the greatest impact—on patient care.

👉 See how Centage helps healthcare finance teams build stronger forecasts.

Book your personalized demo with Centage today.



About the Author



Jandir Matos

VP of Finance at Centage

Jandir Matos serves as the Vice President of Finance at Centage, a leader in modern financial planning and analysis (FP&A) software. With over six years of experience in venture capital and private equity-backed tech companies, Jandir has a proven track record of building and scaling financial operations to drive growth and profitability.



**The #1 FP&A Software
for Healthcare**

[Book a Demo](#)

Office:

122 E. Houston Street, Suite 105
San Antonio TX 78205

Phone Number:

(800) 366-5111

Email:

sales@centage.com