Problem Statement:

The company wants to know:

- Which variables are significant in predicting the reason for hospitalization for different regions
- \bullet How well some variables like viral load, smoking, Severity Level describe the hospitalization charges

In [1]:

```
import numpy as np
import pandas as pd
import matplotlib.pyplot as plt
import scipy.stats as stats
import seaborn as sns
```

In [2]:

```
import warnings
warnings.filterwarnings("ignore")
```

In [3]:

```
df = pd.read_csv('scaler_apollo_hospitals.csv')
```

In [4]:

```
df.head()
```

Out[4]:

	Unnamed: 0	age	sex	smoker	region	viral load	severity level	hospitalization charges
0	0	19	female	yes	southwest	9.30	0	42212
1	1	18	male	no	southeast	11.26	1	4314
2	2	28	male	no	southeast	11.00	3	11124
3	3	33	male	no	northwest	7.57	0	54961
4	4	32	male	no	northwest	9.63	0	9667

In [5]:

```
df = df.drop("Unnamed: 0",axis=1)
```

```
In [6]:
```

```
df.head()
```

Out[6]:

	age	sex	smoker	region	viral load	severity level	hospitalization charges
0	19	female	yes	southwest	9.30	0	42212
1	18	male	no	southeast	11.26	1	4314
2	28	male	no	southeast	11.00	3	11124
3	33	male	no	northwest	7.57	0	54961
4	32	male	no	northwest	9.63	0	9667

In [7]:

df.shape

Out[7]:

(1338, 7)

In [8]:

df.info()

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 1338 entries, 0 to 1337
Data columns (total 7 columns):

#	Column	Non-Null Count	Dtype
0	age	1338 non-null	int64
1	sex	1338 non-null	object
2	smoker	1338 non-null	object
3	region	1338 non-null	object
4	viral load	1338 non-null	float64
5	severity level	1338 non-null	int64
6	hospitalization charges	1338 non-null	int64
44	C1+C4/4\+C4/2\	-1-2+(2)	

dtypes: float64(1), int64(3), object(3)

memory usage: 73.3+ KB

Data is clean and there are no null values

In [9]:

```
df['region'].nunique()
```

Out[9]:

4

In [10]:

```
for i in df.columns:
    print(i, ' : ',df[i].nunique())
```

age : 47
sex : 2
smoker : 2
region : 4
viral load : 462
severity level : 6

hospitalization charges : 1320

we can change the data type of the columns which have low unique values.

In [11]:

```
for i in df.columns:
   if df[i].nunique() < 7:
        df[i]=df[i].astype('category')</pre>
```

In [12]:

df.info()

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 1338 entries, 0 to 1337
Data columns (total 7 columns):

#	Column	Non-Null Count	Dtype
0	age	1338 non-null	int64
1	sex	1338 non-null	category
2	smoker	1338 non-null	category
3	region	1338 non-null	category
4	viral load	1338 non-null	float64
5	severity level	1338 non-null	category
6	hospitalization charges	1338 non-null	int64

dtypes: category(4), float64(1), int64(2)

memory usage: 37.4 KB

In [13]:

```
df.describe(include=['float64'])
```

Out[13]:

	viral load
count	1338.000000
mean	10.221233
std	2.032796
min	5.320000
25%	8.762500
50%	10.130000
75%	11.567500
max	17.710000

In [14]:

```
df.describe(include=['int64'])
```

Out[14]:

	age	hospitalization charges
count	1338.000000	1338.000000
mean	39.207025	33176.058296
std	14.049960	30275.029296
min	18.000000	2805.000000
25%	27.000000	11851.000000
50%	39.000000	23455.000000
75%	51.000000	41599.500000
max	64.000000	159426.000000

In [15]:

```
df.describe(include=['category'])
```

Out[15]:

	sex	smoker	region	severity level
count	1338	1338	1338	1338
unique	2	2	4	6
top	male	no	southeast	0
freq	676	1064	364	574

from above we can infer

- --> People with age of 39 are mostly effected
- --> Male patients are more compared to female

--> SouthEast region is mostly effected compared to other regions

Univariate Analysis

```
In [16]:
```

```
df.head()
```

Out[16]:

	age	sex	smoker	region	viral load	severity level	hospitalization charges
0	19	female	yes	southwest	9.30	0	42212
1	18	male	no	southeast	11.26	1	4314
2	28	male	no	southeast	11.00	3	11124
3	33	male	no	northwest	7.57	0	54961
4	32	male	no	northwest	9.63	0	9667

```
In [17]:
```

```
df_copy = df.copy(deep=True)
```

```
In [18]:
```

```
df_copy.age.min(),df_copy.age.max()
```

Out[18]:

(18, 64)

In [19]:

```
bins =[-1,20,25,30,35,40,45,50,55,60,65]
labels =['<20','20-25','25-30','30-35','35-40','40-45','45-50','50-55','55-60','60-65']
```

```
In [20]:
```

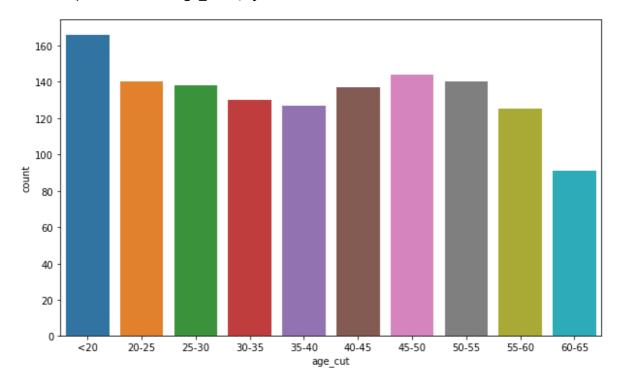
```
df_copy['age_cut'] = pd.cut(df_copy['age'],bins=bins,labels = labels)
```

In [21]:

```
plt.figure(figsize=(10,6))
sns.countplot(x=df_copy['age_cut'])
```

Out[21]:

<AxesSubplot:xlabel='age_cut', ylabel='count'>



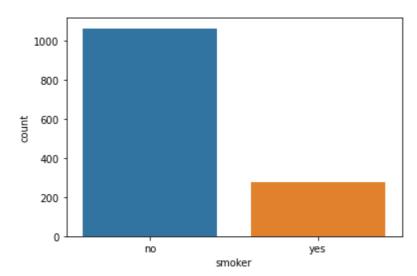
--> Policy holders with age 18-20 are more compared to other age groups

In [22]:

sns.countplot(x=df_copy['smoker'])

Out[22]:

<AxesSubplot:xlabel='smoker', ylabel='count'>



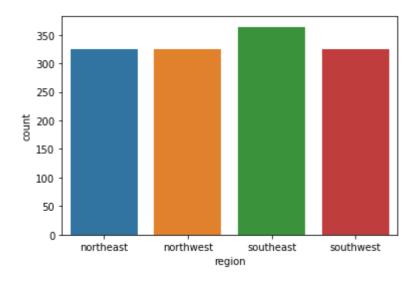
--> Most of the policy holders are non smokers

In [23]:

 $\verb|sns.countplot(x=df_copy['region'])| \\$

Out[23]:

<AxesSubplot:xlabel='region', ylabel='count'>



In [24]:

```
df_copy['region'].value_counts()
```

Out[24]:

southeast 364 northwest 325 southwest 325 northeast 324

Name: region, dtype: int64

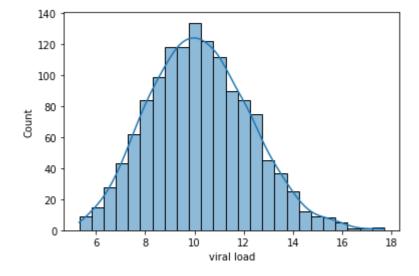
 $\mbox{---}\mbox{\sc Compared}$ to other regions policy holders are more in southeast region in the dataset provided

In [25]:

```
sns.histplot(x=df_copy['viral load'],kde=True)
```

Out[25]:

<AxesSubplot:xlabel='viral load', ylabel='Count'>



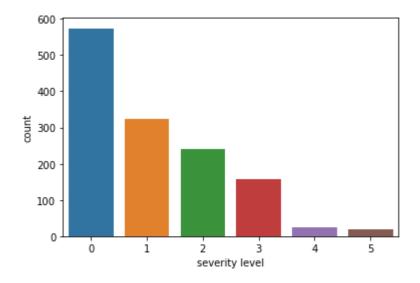
--> This looks like perfect normal distribution, as we can see that the mean viral load level is around 10, most of the people are around that range only

In [26]:

sns.countplot(x=df_copy['severity level'])

Out[26]:

<AxesSubplot:xlabel='severity level', ylabel='count'>



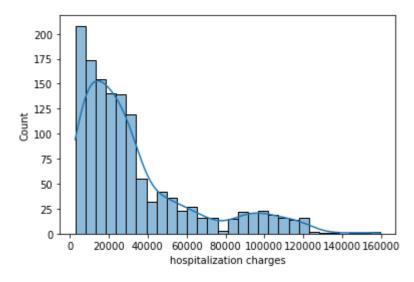
--> Severity level of most of the policy holders is 0

In [27]:

sns.histplot(x=df_copy['hospitalization charges'],kde=True)

Out[27]:

<AxesSubplot:xlabel='hospitalization charges', ylabel='Count'>



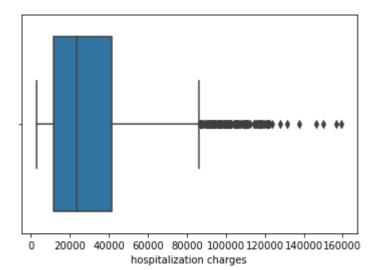
--> The data is right skewed, most of the policy holders hospitalization charges are low as we can also see that the severity level is 0 for most of the policy holders

In [28]:

sns.boxplot(x=df_copy['hospitalization charges'])

Out[28]:

<AxesSubplot:xlabel='hospitalization charges'>



--> There are many outliers in the hospitalization charges as it is evident that there are only few members in the high severity level, the hospitalization charge for them will be more

In [29]:

```
df_copy['smoker'].replace(['yes','no'],[1,0],inplace = True)
```

In [30]:

```
df_copy['sex'].replace(['male','female'],[1,0],inplace = True)
```

In [31]:

```
df_copy['region'].replace(['northeast','northwest','southeast','southwest'],[1,2,3,4],inpla
```

In [32]:

```
df_copy['severity level']=df_copy['severity level'].astype('int64')
```

```
In [33]:
```

```
df_copy.head()
```

Out[33]:

	age	sex	smoker	region	viral load	severity level	hospitalization charges	age_cut
0	19	0	1	4	9.30	0	42212	<20
1	18	1	0	3	11.26	1	4314	<20
2	28	1	0	3	11.00	3	11124	25-30
3	33	1	0	2	7.57	0	54961	30-35
4	32	1	0	2	9.63	0	9667	30-35

In [34]:

df.head()

Out[34]:

	age	sex	smoker	region	viral load	severity level	hospitalization charges
0	19	female	yes	southwest	9.30	0	42212
1	18	male	no	southeast	11.26	1	4314
2	28	male	no	southeast	11.00	3	11124
3	33	male	no	northwest	7.57	0	54961
4	32	male	no	northwest	9.63	0	9667

Bivariate Analysis

In bivariate analysis we will consider 2 features and see the relationship between them

In [35]:

```
df_copy.columns
```

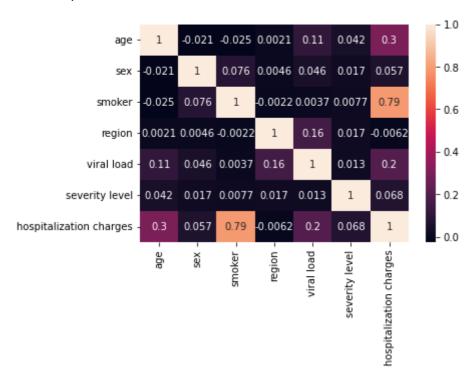
Out[35]:

In [36]:

sns.heatmap(df_copy.corr(),annot=True)

Out[36]:

<AxesSubplot:>

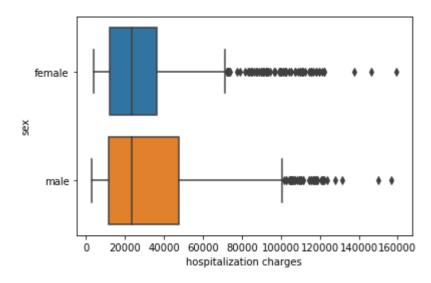


In [37]:

```
sns.boxplot(x=df['hospitalization charges'],y=df['sex'])
```

Out[37]:

<AxesSubplot:xlabel='hospitalization charges', ylabel='sex'>

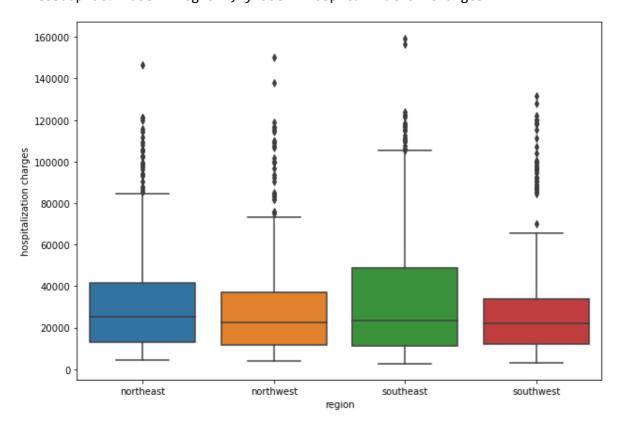


In [38]:

```
plt.figure(figsize=(10,7))
sns.boxplot(y=df['hospitalization charges'],x=df['region'])
```

Out[38]:

<AxesSubplot:xlabel='region', ylabel='hospitalization charges'>

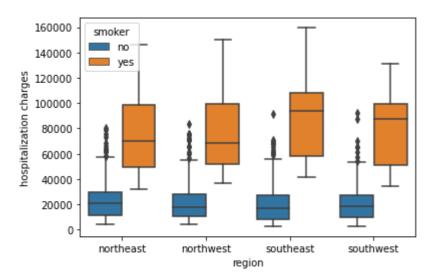


In [39]:

sns.boxplot(y=df['hospitalization charges'],x=df['region'],hue=df['smoker'])

Out[39]:

<AxesSubplot:xlabel='region', ylabel='hospitalization charges'>



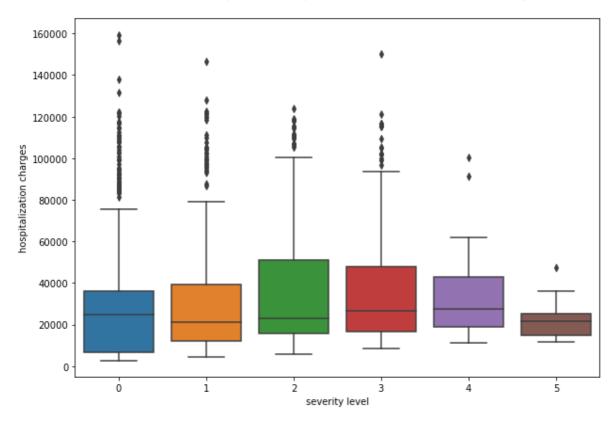
--> Hospitalization charges are way more higher for smokers than non smokers

In [40]:

```
plt.figure(figsize=(10,7))
sns.boxplot(y=df['hospitalization charges'],x=df['severity level'])
```

Out[40]:

<AxesSubplot:xlabel='severity level', ylabel='hospitalization charges'>

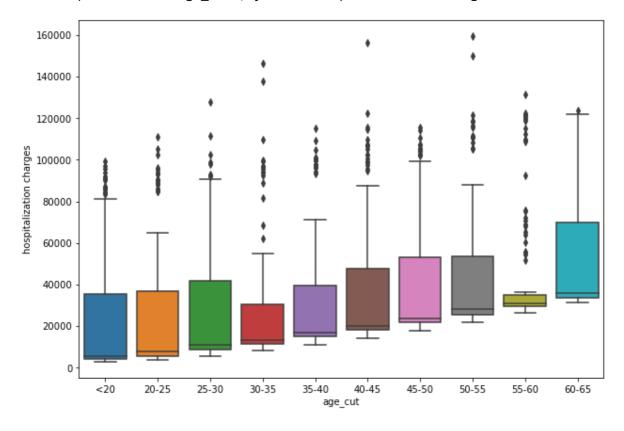


In [41]:

```
plt.figure(figsize=(10,7))
sns.boxplot(y=df_copy['hospitalization charges'],x=df_copy['age_cut'])
```

Out[41]:

<AxesSubplot:xlabel='age_cut', ylabel='hospitalization charges'>



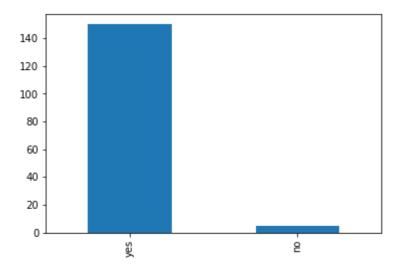
Most of the outliers are after 80000 of hospitalization charges

In [42]:

```
df[df['hospitalization charges']>80000]['smoker'].value_counts().plot(kind='bar')
```

Out[42]:

<AxesSubplot:>



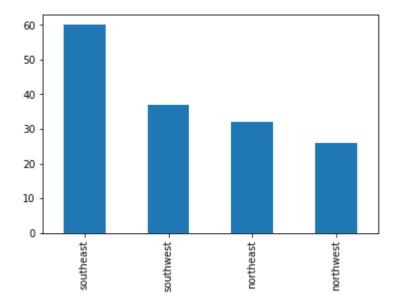
from above plot we can say that the policy holders who smoke has the hospitalization charges that are greater than 80000

In [43]:

df[df['hospitalization charges']>80000]['region'].value_counts().plot(kind='bar')

Out[43]:

<AxesSubplot:>



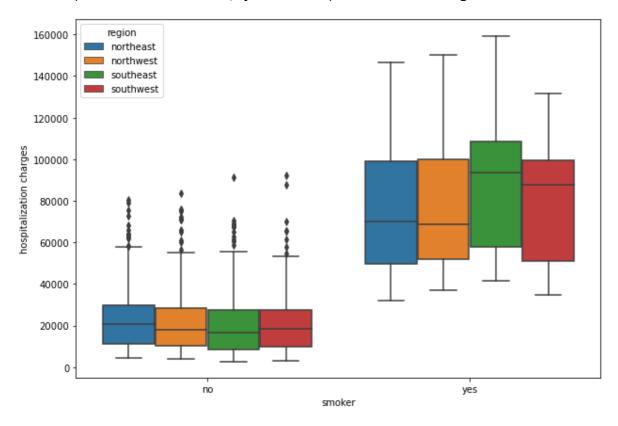
Most of the people are from southeast region

In [44]:

```
plt.figure(figsize=(10,7))
sns.boxplot(y=df['hospitalization charges'],x=df['smoker'],hue=df['region'])
```

Out[44]:

<AxesSubplot:xlabel='smoker', ylabel='hospitalization charges'>

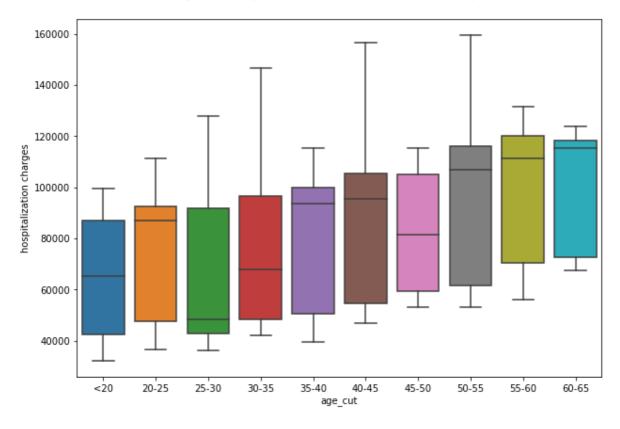


In [45]:

```
plt.figure(figsize=(10,7))
sns.boxplot(y='hospitalization charges',x='age_cut',data=df_copy[df_copy['smoker']==1])
```

Out[45]:

<AxesSubplot:xlabel='age_cut', ylabel='hospitalization charges'>

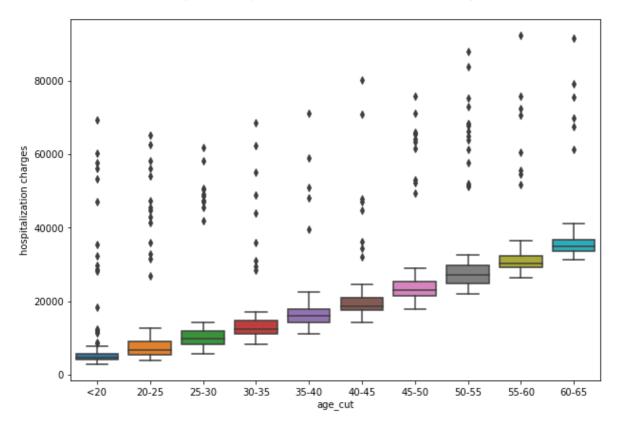


In [46]:

```
plt.figure(figsize=(10,7))
sns.boxplot(y='hospitalization charges',x='age_cut',data=df_copy[df_copy['smoker']==0])
```

Out[46]:

<AxesSubplot:xlabel='age_cut', ylabel='hospitalization charges'>



Keypoints:

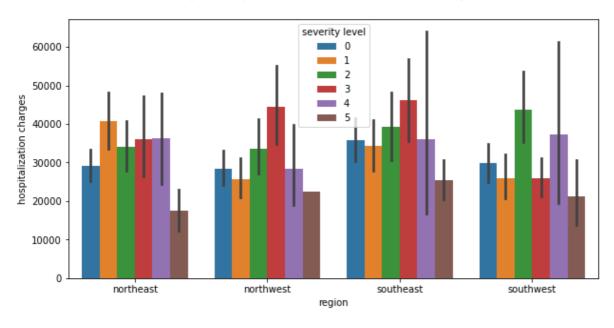
- --> Age and smoking are highly related to the hospitalization charges
- --> If the policy holder having a habit of smoking the hospital charges are relatively will be on higher side when compared to the non smoker
- --> Hospitalization charges of policy holders who are smoking in southeast region is more compared to other region.
- --> Hospitalization charges for 0 severity level has more outliers and median is also higher for these policy holders compared to other levels

In [47]:

```
plt.figure(figsize=(10,5))
sns.barplot(df['region'],df['hospitalization charges'],hue=df['severity level'])
```

Out[47]:

<AxesSubplot:xlabel='region', ylabel='hospitalization charges'>

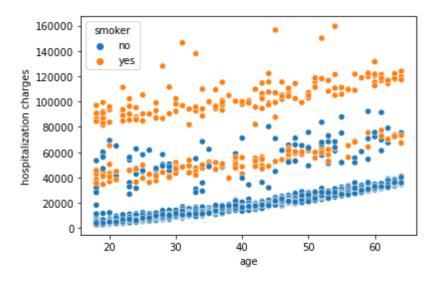


In [48]:

```
sns.scatterplot(y=df['hospitalization charges'],x=df['age'],hue=df['smoker'])
```

Out[48]:

<AxesSubplot:xlabel='age', ylabel='hospitalization charges'>



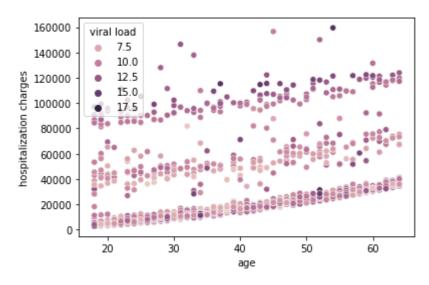
We can see that hospital charges of the policy holders who smoke are clearly one step higher than the policy holders who dont smoke

In [49]:

sns.scatterplot(y=df['hospitalization charges'],x=df['age'],hue=df['viral load'])

Out[49]:

<AxesSubplot:xlabel='age', ylabel='hospitalization charges'>



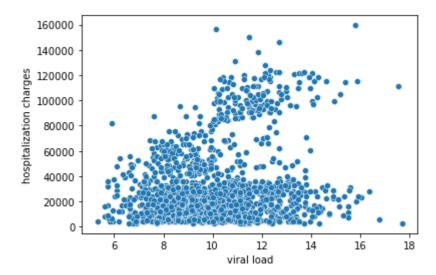
If the viral load increases then the hospitalisation charge also increases respectively

In [50]:

sns.scatterplot(y=df['hospitalization charges'],x=df['viral load'])

Out[50]:

<AxesSubplot:xlabel='viral load', ylabel='hospitalization charges'>

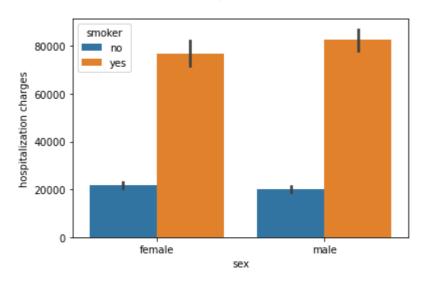


In [51]:

```
sns.barplot(df['sex'],df['hospitalization charges'],hue=df['smoker'])
```

Out[51]:

<AxesSubplot:xlabel='sex', ylabel='hospitalization charges'>



Outliers

In [52]:

df.columns

Out[52]:

From the above columns we can get outliers only for viral load and hospitalization charges columns as remaining other columns are categorical columns and there is no need for caluclating outliers for age.

In [53]:

```
q1=df['viral load'].quantile(0.25)
q3=df['viral load'].quantile(0.75)
IQR=q3-q1

outliers = df[((df['viral load']<(q1-1.5*IQR)) | (df['viral load']>(q3+1.5*IQR)))]
(len(outliers)/df.shape[0])*100
```

Out[53]:

0.672645739910314

In [54]:

```
q1=df['hospitalization charges'].quantile(0.25)
q3=df['hospitalization charges'].quantile(0.75)
IQR=q3-q1
outliers = df[((df['hospitalization charges']<(q1-1.5*IQR)) | (df['hospitalization charges']</pre>
```

Out[54]:

10.388639760837071

for some reasons there might be increase in the hospitalization charges and that is evident so we cannot ignore those and the size of dataset is less, hence no removal of outliers in this case

Hypothesis Testing

Hospitalization charges vs Smoking

```
H0 : Smoking will not effect the hospitalization charges
H1 : Smoking will effect the hospitalization charges
alpha-value : 0.05
```

Normality:

```
In [55]:
```

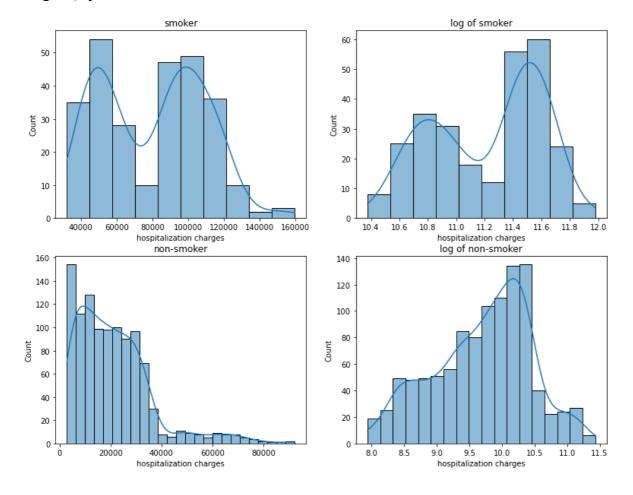
```
# Normality check
hc_smoker = df[df['smoker']=='yes']['hospitalization charges'].reset_index() # df for peopl
hc_nonsmoker = df[df['smoker']=='no']['hospitalization charges'].reset_index() # df for people
```

In [56]:

```
plt.figure(figsize=(13,10))
plt.subplot(2,2,1)
plt.title('smoker')
sns.histplot(x=hc_smoker['hospitalization charges'],kde=True)
plt.subplot(2,2,2)
plt.title('log of smoker')
sns.histplot(np.log(hc_smoker['hospitalization charges']),kde=True)
plt.subplot(2,2,3)
plt.title('non-smoker')
sns.histplot(x=hc_nonsmoker['hospitalization charges'],kde=True)
plt.subplot(2,2,4)
plt.title('log of non-smoker')
sns.histplot(x=np.log(hc_nonsmoker['hospitalization charges']),kde=True)
```

Out[56]:

<AxesSubplot:title={'center':'log of non-smoker'}, xlabel='hospitalization c
harges', ylabel='Count'>



The plot of distribution looks as right skewed for non smoker and distribution of smoker has 2 peaks, lets consider log values for these inorder to treat them

In [57]:

```
z,p=stats.shapiro(np.log(hc_smoker['hospitalization charges'])) #Normality test
if p > 0.05 :
    print('The distribution of the sample is Normal/Gaussian as the p-value is :',p )
else:
    print('The distribution of the sample is not Normal/Gaussian as the p-value is :',p )
```

The distribution of the sample is not Normal/Gaussian as the p-value is : 3. 4734257137181146e-10

In [58]:

```
z,p=stats.shapiro(np.log(hc_nonsmoker['hospitalization charges'])) #Normality test
if p > 0.05 :
    print('The distribution of the sample is Normal/Gaussian as the p-value is :',p )
else:
    print('The distribution of the sample is not Normal/Gaussian as the p-value is :',p )
```

The distribution of the sample is not Normal/Gaussian as the p-value is : 3. 2253915250440857e-12

Variance Check:

In [59]:

```
z,p = stats.levene(np.log(hc_smoker['hospitalization charges']),np.log(hc_nonsmoker['hospit
if p > 0.05 :
    print('The variance of two samples are similar as the p-value is :',p )
else:
    print('The variance of two samples are different as the p-value is :',p )
```

The variance of two samples are different as the p-value is : 1.332832802389 931e-20

T-Test

In [60]:

Smoking has sigificant effect on the hospotalization charges as the p-value is: 1.837750903481087e-23

Viral load vs Sex

```
H0 : viral load of females is same as that of males
H1 : viral load of females is different from that of males
alpha-value : 0.05
```

In [61]:

```
# Normality check
vl_male = df[df['sex']=='male']['hospitalization charges'].reset_index() # df for people wh
vl_female = df[df['sex']=='female']['hospitalization charges'].reset_index() # df for peopl
```

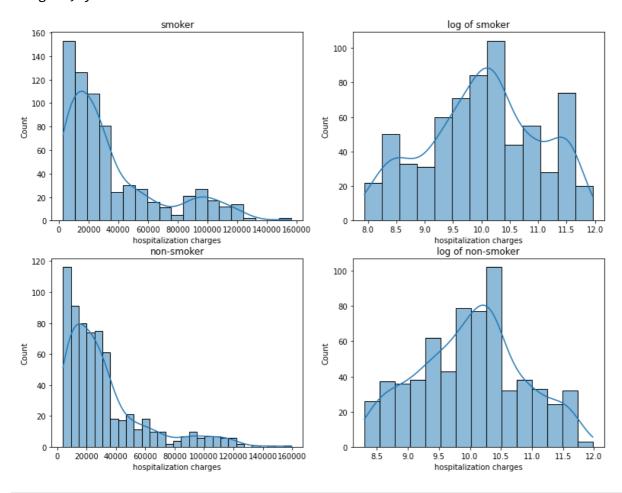
Normality check:

In [62]:

```
plt.figure(figsize=(13,10))
plt.subplot(2,2,1)
plt.title('smoker')
sns.histplot(x=vl_male['hospitalization charges'],kde=True)
plt.subplot(2,2,2)
plt.title('log of smoker')
sns.histplot(np.log(vl_male['hospitalization charges']),kde=True)
plt.subplot(2,2,3)
plt.title('non-smoker')
sns.histplot(x=vl_female['hospitalization charges'],kde=True)
plt.subplot(2,2,4)
plt.title('log of non-smoker')
sns.histplot(x=np.log(vl_female['hospitalization charges']),kde=True)
```

Out[62]:

<AxesSubplot:title={'center':'log of non-smoker'}, xlabel='hospitalization c
harges', ylabel='Count'>



The plot looks too much right skewed, hence applied log to treat it.

In [63]:

```
z,p=stats.shapiro(np.log(vl_male['hospitalization charges'])) #Normality test
if p > 0.05 :
    print('The distribution of the sample is Normal/Gaussian as the p-value is :',p )
else:
    print('The distribution of the sample is not Normal/Gaussian as the p-value is :',p )
```

The distribution of the sample is not Normal/Gaussian as the p-value is : 1. 9388513017304376e-09

In [64]:

```
z,p=stats.shapiro(np.log(vl_female['hospitalization charges'])) #Normality test
if p > 0.05 :
    print('The distribution of the sample is Normal/Gaussian as the p-value is :',p )
else:
    print('The distribution of the sample is not Normal/Gaussian as the p-value is :',p )
```

The distribution of the sample is not Normal/Gaussian as the p-value is : 2. 822575424943352e-06

Variance check:

In [65]:

```
z,p = stats.levene(np.log(vl_male['hospitalization charges']),np.log(vl_female['hospitaliza
if p > 0.05 :
    print('The variance of two samples are similar as the p-value is :',p )
else:
    print('The variance of two samples are different as the p-value is :',p )
```

The variance of two samples are different as the p-value is : 0.000115114981 24919069

T test

In [66]:

Male/Female effects the viral load as the p value is: 0.016837507702017997

Smoking among different regions

```
H0 : Proportion of smoking is similar across different regions
H1 : Proportion of smoking significantly different across different regions
alpha-value : 0.05
```

```
In [67]:
```

```
contingency_table = pd.crosstab(df['smoker'],df['region'])
contingency_table
```

Out[67]:

region northeast northwest southeast southwest

smoker

	057	007	070	007
no	257	267	273	267
yes	67	58	91	58

In [68]:

```
observed_values = contingency_table.values
print('Observed Values:-\n', observed_values)
```

```
Observed Values:-
[[257 267 273 267]
[ 67 58 91 58]]
```

In [69]:

```
stat,p,dof,expected_values = stats.chi2_contingency(observed_values)
print('Expected Values :-\n',expected_values,'\n\n')
if p > 0.05:
    print('Proportion of smoking is similar across different regions')
else:
    print('Proportion of smoking significantly different across different regions')
```

```
Expected Values :-
[[257.65022422 258.44544096 289.45889387 258.44544096]
[ 66.34977578 66.55455904 74.54110613 66.55455904]]
```

Proportion of smoking is similar across different regions

Effect of severity level on women

```
H0: There is no noteworthy difference between the groups.
H1: There is a noteworthy difference between the groups.

Alpha-Value: 0.05
```

In [70]:

```
severity_level_0 = df[(df['sex'] == 'female') & (df['severity level'] == 0)]['viral load'].
severity_level_1 = df[(df['sex'] == 'female') & (df['severity level'] == 1)]['viral load'].
severity_level_2 = df[(df['sex'] == 'female') & (df['severity level'] == 2)]['viral load'].
```

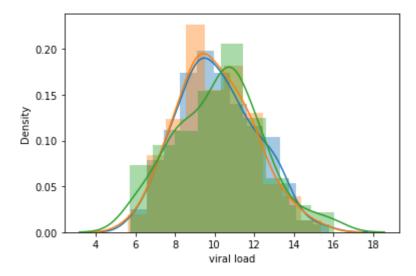
Normality

In [71]:

```
sns.distplot(severity_level_0['viral load'], kde=True)
sns.distplot(severity_level_1['viral load'], kde=True)
sns.distplot(severity_level_2['viral load'], kde=True)
```

Out[71]:

<AxesSubplot:xlabel='viral load', ylabel='Density'>



In [75]:

```
z0,p0=stats.shapiro(severity_level_0['viral load'])
z1,p1=stats.shapiro(severity_level_1['viral load'])
z2,p2=stats.shapiro(severity_level_2['viral load'])
p0,p1,p2
```

Out[75]:

(0.038132064044475555, 0.539344072341919, 0.2586005926132202)

The data is following normal distribution except for the severity level 0, considering the data will be normal for the population we are going ahead with this assumption

Variance check

In [73]:

```
stats.levene(severity_level_0['viral load'],severity_level_1['viral load'],severity_level_2
```

Out[73]:

LeveneResult(statistic=0.9435131022565071, pvalue=0.38987253596513605)

As the p-value for levene test is greater than 0.5 we can say that the variance of the different groups are similar

Anova

In [74]:

stats.f_oneway(severity_level_0['viral load'],severity_level_1['viral load'],severity_level

Out[74]:

F_onewayResult(statistic=0.3355061434584082, pvalue=0.7151189650367746)

P-value: 0.7151189650367746, which is greater than alpha value. So the test is failed to reject the null hypothesis.

Hence we are going with the null hypothesis, i.e., The mean viral load of women with 0 Severity level, 1 Severity level, and 2 Severity level are same

INSIGHTS

- --> People with age of 39 are mostly effected
- --> Male patients are more compared to female
- --> SouthEast region is mostly effected compared to other regions
- --> Policy holders with age 18-20 are more compared to other age groups
- --> Most of the policy holders are non smokers
- --> Compared to other regionspolicy holders are more in southeast region in the dataset provided
- --> Plot for hospitalization charges is right skewed as it is evident that most of the policy holders are having severity level0
- --> Max Hospitalization charges are comparitively less for females than males where hospitalization charges for females lies around 70K and for male it is 100K
- --> Smokers are more in southeast region
- --> Hospitalization charges are more in southeast region compared to other region and as the smokers are also more in southeast region there is a corelation between smoking and hospitalization.
- --> As the age increases the minimum amount for the hospitalization charges also increases
- --> If the person is a non-smoker it is most likely that his/her hospitalization cost will be less than 80K
- --> Hospitalization charges for severity level 0,1,2,3 is more than severity level 4,5.

Insights from hypothesis testing

- --> Smoking has sigificant effect on the hospotalization charges
- --> Male/Female does not effect the viral load
- --> Proportion of smoking is similar across different regions
- --> The mean viral load of women with 0 Severity level , 1 Severity level, and 2 Severity level are same

Recommendations

- --> Smoking is significant in predicting the reason for hospitalization for different regions
- --> Viral load and severity level doesnot have much impact on the hospitalization charges
- --> Smoking has high significance with the hospitalization charges
- --> Age can also be taken into consideration for hospitalization charges, higher the age the hospitalization charge will be greater
- --> As hospitalization charges are more for people with smoking we can initiate a rehabilitation centre so that we can reduce the effect of smoking on people and it will be added advantage for business too.