# Alternate Transformation - New Public/Private Feature

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# Concept

The idea behind this notebook is to determine if the process of converting the initial input format (with columns for public and private data) into a new format (with columns for mean/median values and a public/private indicator) yields better results with simple regression models. No other supplementary features will be included at this time. Standard filtering of rows (remove private rows with invalid counts, etc. will be applied.)

# **Data Load and Transformation**

#### Data Load

```
original_data <- read.csv("priv_mcare_f_pay.csv")</pre>
```

# **Data Filtering**

Note: I presume that all data from forbidden MSAs is off limits. Therefore, we will simply drop all rows where prive count is NA or 0

```
filtered_data <- original_data %>%
filter(!is.na(priv_count) & (priv_count > 0) & !is.na(lon) & !is.na(lat))
```

#### **Data Preprocessing**

One thing we will do before much of the transformation is deal with the categorical variables.

```
filtered_data_important_fields <- filtered_data %>% select(!c(CBSA_NAME, FIPS.State.Code))
cat_encoder <- dummyVars(" ~ .", data=filtered_data_important_fields)
cat_encoded <- data.frame(predict(cat_encoder, filtered_data_important_fields))
cat_encoded$index <- 1:nrow(cat_encoded)</pre>
```

# **Data Splitting**

For filters applied, we have:

- Public (mcare):
  - Drop all NAs
- Private:
  - Drop all NAs
  - Drop all rows with no meare los
  - Drop all rows with priv\_count < 50

For general transformations:

- public private column added
- SD/IQR columns dropped. They aren't exactly comparable
- Columns renamed for dataset recombination.

```
filtered_data_public <-
   cat_encoded %>%
   select(!c(priv_count, priv_pay_iqr, priv_pay_mean, priv_pay_median, mcare_pay_sd)) %>%
   mutate(public_private = 'public') %>%
   rename(pay_mean = mcare_pay_mean) %>%
   rename(pay_median = mcare_pay_median) %>%
   filter(!is.na(pay_mean))

filtered_data_private <-
   cat_encoded %>%
   filter(priv_count >= 50) %>%
   select(!c(priv_count, priv_pay_iqr, mcare_pay_mean, mcare_pay_median, mcare_pay_sd)) %>%
   mutate(public_private = 'private') %>%
   rename(pay_mean = priv_pay_mean) %>%
   rename(pay_median = priv_pay_median) %>%
   filter(!is.na(pay_mean) & !is.na(mcare_los))
```

#### Separate out test set

I arbitrarily grabbed 25% of the private records post-filtering (we are only interested in predicting using these).

### **Data Recombination**

```
dev_set <- rbind(filtered_data_public, filtered_data_private)</pre>
```

#### Create Development and Test Sets for Original Data

# Comparing Performance

#### Original Dataset

```
orig_lm <- lm(formula = priv_pay_median ~ ., data = (untransformed_dev_set %>% select(!c(priv_pay_mean,
#train(
# priv_pay_median ~ .,
# data = (untransformed_dev_set %>% select(!c(priv_pay_mean, msa, index))),
# method = 'lasso'
#)
summary(orig_lm)
##
## Call:
## lm(formula = priv_pay_median ~ ., data = (untransformed_dev_set %>%
      select(!c(priv_pay_mean, msa, index))))
##
## Residuals:
##
     Min
             1Q Median
                           3Q
                                 Max
## -33140 -2764 -215
                         2557
                               43138
##
## Coefficients: (25 not defined because of singularities)
##
                                              Estimate Std. Error t value
## (Intercept)
                                            -1.128e+06 3.277e+05 -3.440
                                             5.340e+02 1.623e+02
                                                                  3.289
## year
## siteASC
                                                    NA
                                                               NA
                                                                       NA
## siteInpatient
                                             1.903e+03 1.078e+03
                                                                  1.765
## siteOutpatient
                                                    NA
                                                             NA
                                                                       NA
## groupankle_fix
                                            -1.739e+04 4.575e+03 -3.801
                                            -1.043e+04 4.486e+03 -2.326
## groupant_cerv_fusion
## groupant_tls_fusion
                                             3.255e+04 5.250e+03 6.200
## groupbariatric
                                            -1.601e+04 4.503e+03 -3.557
## groupbreast.reconstruction
                                            -1.679e+04 4.541e+03 -3.697
## groupbsp
                                            -1.519e+04 6.282e+03 -2.418
## groupbunionectomy
                                            -2.005e+04 4.583e+03 -4.374
## groupcardiac.ablation
                                            -4.960e+03 4.471e+03 -1.109
## groupcardiac.ablation_additional_discrete 1.383e+03 4.807e+03
                                                                    0.288
## groupcardiac.ablation_linear_focal
                                                    NA
                                                               NA
                                                                       NA
## groupcardiac_ablaton_anesthesia
                                            -1.586e+03 4.841e+03 -0.328
## groupcardiac_ablaton_ice
                                            -2.930e+03 4.501e+03 -0.651
## groupclavicle.fixation
                                            -1.770e+04 7.650e+03 -2.314
## groupcolorect
                                            -1.833e+04 4.848e+03 -3.781
## groupfemoral.shaft.fixation
                                                    NA
                                                              NA
                                                                       NA
## groupfess
                                            -1.897e+04 4.551e+03 -4.168
                                            -1.704e+04 5.489e+03 -3.105
## grouphepat
## grouphernia
                                            -1.887e+04 4.614e+03 -4.090
## grouphip_fracture_fixation
                                                    NA
                                                               NA
                                                                       NA
## grouphysterect
                                            -1.813e+04 4.497e+03 -4.032
## groupintracranial_thromb
                                                    NA
                                                               NA
                                                                       NA
## groupkidney.ablation
                                                    NA
                                                               NA
                                                                       NA
## grouplaac
                                                    NA
                                                               NA
                                                                       NA
## grouplap.appendectomy
                                            -1.905e+04 4.569e+03 -4.169
## groupliver.ablation
                                                               NA
                                                                       NA
                                                    NA
## grouplung.ablation
                                                    NA
                                                               NA
                                                                       NA
## groupmastectomy
                                            -1.810e+04 4.562e+03 -3.967
```

##	groupnavigation	4.269e+02	6.225e+03	0.069
	grouporthovisc_monovisc	-2.071e+04		-3.736
	grouppartial.shoulder.arthroplasty	NA	NA	NA
	grouppka	NA	NA	NA
	grouppnn	NA	NA	NA
	grouppost_cerv_fusion	9.462e+03	7.680e+03	1.232
	grouppost_tls_fusion	1.795e+04	4.570e+03	3.928
	groupprostatectomy	-1.469e+04	5.125e+03	-2.867
##	groupprox_tibia_fixation	-7.135e+03	6.269e+03	-1.138
##	groupproximal.humerus	NA	NA	NA
##	<pre>groupradius.ulna.internal.fixation</pre>	-1.716e+04	4.586e+03	-3.742
##	grouprevision_tha	NA	NA	NA
##	<pre>grouprevision_tka</pre>	NA	NA	NA
##	<pre>grouprobotic_assisted_surgery</pre>	-1.672e+04	4.582e+03	-3.648
##	<pre>grouprtc_slap_bank</pre>	-1.760e+04	4.535e+03	-3.881
	groupseptoplasty		4.585e+03	-4.254
	grouptha		4.457e+03	-2.260
	groupthoracic		7.613e+03	-0.264
	grouptka	-8.836e+03		-1.996
	grouptpa	-1.742e+04		-2.272
	grouptsa	NA	NA	NA
	priv_count	2.359e+00		
	mcare_los		3.845e+02	
	mcare_pay_mean		1.646e-01	
	mcare_pay_median		1.811e-01	
	StateAlabama	-3.229e+03		-1.725
	StateAlaska	NA -1 2100+04	NA 200 102	NA -2 202
	StateArizona StateArizona	-1.319e+04 -5.347e+03		-3.892 -2.718
	StateArkansas StateCalifornia	-5.347e+03		
	StateColorado		2.437e+03	-3.486 -3.604
	StateDelaware		2.437e+03 2.126e+03	3.130
	StateFlorida		2.120e+03 2.194e+03	
	StateGeorgia	2.067e+03		
	StateHawaii	2.007e105	NA	NA
	StateIllinois	-6.677e+03		
	StateIowa	-6.767e+03		-3.572
	StateKansas	-8.188e+03	1.746e+03	-4.689
	StateMaryland	-3.647e+03	2.034e+03	-1.793
	StateMassachusetts	2.774e+03		1.204
##	StateMichigan	-6.281e+03		-4.501
	StateMinnesota	-9.255e+03		-5.585
##	StateMississippi	7.605e+02	3.038e+03	0.250
	StateMissouri	-3.227e+03	4.635e+03	-0.696
##	StateNebraska	-5.644e+03	4.644e+03	-1.215
##	StateNevada	-1.731e+04	3.721e+03	-4.652
##	StateNew.Jersey	3.940e+03	1.948e+03	2.023
##	StateNew.York	7.640e+03	1.966e+03	3.885
##	StateNorth.Carolina	9.231e+03	1.746e+03	5.286
##	StateNorth.Dakota	NA	NA	NA
##	StateOhio	-1.552e+03	1.436e+03	-1.080
##	StateOklahoma	-4.432e+03	2.087e+03	-2.124
##	StateOregon	-2.085e+04	3.958e+03	-5.267
##	StatePennsylvania	4.869e+02	1.830e+03	0.266

```
## StatePuerto.Rico
                                                                 NA
                                                                         NA
                                               2.367e+03 2.968e+03
## StateRhode.Island
                                                                      0.798
                                              -8.843e+03 3.424e+03 -2.583
## StateSouth.Dakota
## StateTennessee
                                               6.974e+00 1.751e+03
                                                                     0.004
                                               1.574e+03 2.292e+03
## StateTexas
                                                                      0.687
## StateUtah
                                              -1.652e+04 3.097e+03 -5.333
## StateVermont
                                               2.996e+03 1.766e+03
## StateVirginia
                                                                      1.696
## StateWashington
                                              -2.013e+04 3.826e+03 -5.262
## StateWest.Virginia
                                                                         NA
                                                      NA
                                                                 NA
## StateWisconsin
                                                      NA
                                                                 NA
                                                                         NA
                                                                         NA
## StateWyoming
                                                      NA
                                                                 NA
                                              -5.282e+02 1.058e+02 -4.991
## lon
## lat
                                               7.588e+02 1.212e+02
                                                                      6.261
##
                                              Pr(>|t|)
## (Intercept)
                                              0.000591 ***
                                              0.001018 **
## year
## siteASC
                                                    NA
## siteInpatient
                                              0.077642 .
## siteOutpatient
                                                    NA
                                              0.000147 ***
## groupankle_fix
## groupant_cerv_fusion
                                              0.020118 *
## groupant_tls_fusion
                                              6.59e-10 ***
## groupbariatric
                                              0.000383 ***
## groupbreast.reconstruction
                                              0.000223 ***
## groupbsp
                                              0.015692 *
## groupbunionectomy
                                              1.27e-05 ***
## groupcardiac.ablation
                                              0.267406
## groupcardiac.ablation_additional_discrete 0.773689
## groupcardiac.ablation_linear_focal
                                                    NA
## groupcardiac_ablaton_anesthesia
                                              0.743285
## groupcardiac_ablaton_ice
                                              0.515073
## groupclavicle.fixation
                                              0.020771 *
## groupcolorect
                                              0.000160 ***
## groupfemoral.shaft.fixation
                                                    NA
## groupfess
                                              3.18e-05 ***
## grouphepat
                                              0.001926 **
## grouphernia
                                              4.46e-05 ***
## grouphip_fracture_fixation
                                                    NA
                                              5.71e-05 ***
## grouphysterect
## groupintracranial thromb
                                                    NA
## groupkidney.ablation
                                                    NΑ
## grouplaac
                                                    NA
## grouplap.appendectomy
                                              3.16e-05 ***
## groupliver.ablation
                                                    NA
## grouplung.ablation
                                                    NA
                                              7.49e-05 ***
## groupmastectomy
## groupnavigation
                                              0.945339
                                              0.000191 ***
## grouporthovisc_monovisc
## grouppartial.shoulder.arthroplasty
                                                    NA
## grouppka
                                                    NA
                                                    NA
## grouppnn
                                              0.218083
## grouppost_cerv_fusion
## grouppost_tls_fusion
                                              8.79e-05 ***
```

	groupprostatectomy	0.004182	**
	groupprox_tibia_fixation	0.255132	
	groupproximal.humerus	NA	
	groupradius.ulna.internal.fixation	0.000187	***
	grouprevision_tha	NA	
	<pre>grouprevision_tka</pre>	NA	
	<pre>grouprobotic_assisted_surgery</pre>	0.000270	***
	<pre>grouprtc_slap_bank</pre>	0.000107	
	groupseptoplasty	2.18e-05	
	grouptha	0.023901	*
	groupthoracic	0.791628	
	grouptka	0.045999	*
##	grouptpa	0.023168	*
##	grouptsa	NA	
##	priv_count	0.005360	**
##	mcare_los	0.003382	**
##	mcare_pay_mean	0.041574	*
##	mcare_pay_median	0.016459	*
##	StateAlabama	0.084683	
##	StateAlaska	NA	
##	StateArizona	0.000102	***
##	StateArkansas	0.006607	**
##	StateCalifornia	0.000499	***
##	StateColorado	0.000320	***
##	StateDelaware	0.001771	**
##	StateFlorida	7.25e-09	***
##	StateGeorgia	0.243161	
##	StateHawaii	NA	
	Dodochawaii	IVA	
	StateIllinois	1.22e-06	***
##			
## ##	StateIllinois	1.22e-06	***
## ## ##	StateIllinois StateIowa	1.22e-06 0.000361	*** ***
## ## ## ##	StateIllinois StateIowa StateKansas	1.22e-06 0.000361 2.90e-06	*** ***
## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts	1.22e-06 0.000361 2.90e-06 0.073019	*** ***
## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland	1.22e-06 0.000361 2.90e-06 0.073019 0.228646	***  ***  .
## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06	***  ***  .
## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08	***  ***  .
## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota StateMississippi	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335	***  ***  .
## ## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota StateMississippi StateMissouri	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315	***  ***  ***
## ## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota StateMississippi StateMissouri StateNebraska StateNevada	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366	***  ***  ***
## ## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota StateMississippi StateMissouri StateNebraska	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06	***  ***  ***  ***
## ## ## ## ## ## ## ## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota StateMississippi StateMissouri StateNebraska StateNevada StateNew.Jersey	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.043226	***  ***  ***  ***
## ## ## ## ## ## ## ## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota StateMississippi StateMissouri StateNebraska StateNevada StateNew.Jersey StateNew.York	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.043226 0.000105	***  ***  ***  ***
## ## ## ## ## ## ## ## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota StateMississippi StateMississippi StateMissouri StateNebraska StateNevada StateNevada StateNew.Jersey StateNew.York StateNorth.Carolina StateNorth.Dakota	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.043226 0.000105 1.36e-07	***  ***  ***  ***
######################################	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota StateMississippi StateMissouri StateNebraska StateNevada StateNevada StateNew.Jersey StateNew.York StateNorth.Carolina StateNorth.Dakota StateOhio	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.043226 0.000105 1.36e-07 NA	***  ***  ***  ***
## ## ## ## ## ## ## ## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMichigan StateMinnesota StateMississippi StateMissouri StateNebraska StateNebraska StateNevada StateNew.Jersey StateNew.York StateNorth.Carolina StateNorth.Dakota StateOhio StateOklahoma	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.043226 0.000105 1.36e-07	***  ***  ***  ***  ***
## ## ## ## ## ## ## ## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota StateMississippi StateMissouri StateNebraska StateNevada StateNevada StateNew.Jersey StateNew.York StateNorth.Carolina StateNorth.Dakota StateOhio StateOklahoma StateOregon	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.043226 0.000105 1.36e-07 NA 0.280135 0.033797	***  ***  ***  ***  ***
## ## ## ## ## ## ## ## ## ## ## ## ##	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMichigan StateMississippi StateMissouri StateNebraska StateNebraska StateNevada StateNew.Jersey StateNew.York StateNorth.Carolina StateNorth.Dakota StateOhio StateOhio StateOklahoma StateOregon StatePennsylvania	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.043226 0.000105 1.36e-07 NA 0.280135 0.033797 1.51e-07	***  ***  ***  ***  ***
######################################	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMichigan StateMississippi StateMissouri StateMissouri StateNebraska StateNevada StateNevada StateNew. Jersey StateNew. York StateNorth. Carolina StateNorth. Dakota StateOhio StateOklahoma StateOregon StatePennsylvania StatePuerto.Rico	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.0043226 0.000105 1.36e-07 NA 0.280135 0.033797 1.51e-07 0.790263	***  ***  ***  ***  ***
#########################	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMichigan StateMississippi StateMissouri StateNebraska StateNebraska StateNevada StateNew.Jersey StateNew.York StateNorth.Carolina StateNorth.Dakota StateOhio StateOhio StateOklahoma StateOregon StatePennsylvania	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.00105 1.36e-07 NA 0.280135 0.033797 1.51e-07 0.790263 NA 0.425164	***  ***  ***  ***  ***
#########################	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMichigan StateMississippi StateMississippi StateMissouri StateNebraska StateNevada StateNevada StateNev. Jersey StateNew. York StateNorth. Carolina StateNorth. Dakota StateOhio StateOhio StateOklahoma StateOregon StatePennsylvania StatePuerto.Rico StateRhode.Island	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.00105 1.36e-07 NA 0.280135 0.033797 1.51e-07 0.790263 NA 0.425164 0.009863	***  ***  ***  ***  ***
##########################	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota StateMississippi StateMissouri StateNebraska StateNevada StateNevada StateNew.Jersey StateNew.York StateNorth.Carolina StateNorth.Dakota StateOrth.Oakota StateOrth.OstateOklahoma StateOregon StatePennsylvania StatePuerto.Rico StateRhode.Island StateSouth.Dakota	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.043226 0.000105 1.36e-07 NA 0.280135 0.033797 1.51e-07 0.790263 NA 0.425164 0.009863 0.996822	***  ***  ***  ***  ***
#########################	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMichigan StateMinnesota StateMississippi StateMissouri StateNebraska StateNevada StateNevada StateNew. Jersey StateNew. York StateNorth. Carolina StateNorth. Dakota StateOhio StateOklahoma StateOregon StatePennsylvania StatePuerto.Rico StateRhode.Island StateSouth. Dakota StateTennessee	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.043226 0.000105 1.36e-07 NA 0.280135 0.033797 1.51e-07 0.790263 NA 0.425164 0.009863 0.996822 0.492445	***  ***  ***  ***  ***  ***
##########################	StateIllinois StateIowa StateKansas StateMaryland StateMassachusetts StateMichigan StateMinnesota StateMississippi StateMissouri StateNebraska StateNevada StateNevada StateNew. Jersey StateNew. York StateNorth. Carolina StateNorth. Dakota StateOhio StateOklahoma StateOregon StatePennsylvania StatePuerto.Rico StateRhode.Island StateSouth. Dakota StateTennessee StateTexas	1.22e-06 0.000361 2.90e-06 0.073019 0.228646 7.09e-06 2.60e-08 0.802335 0.486315 0.224366 3.47e-06 0.043226 0.000105 1.36e-07 NA 0.280135 0.033797 1.51e-07 0.790263 NA 0.425164 0.009863 0.996822	***  ***  ***  ***  ***  ***

```
## StateWashington
                                             1.55e-07 ***
## StateWest.Virginia
                                                   NA
## StateWisconsin
                                                   NΔ
## StateWyoming
                                                   NA
                                             6.44e-07 ***
## lon
## lat
                                             4.49e-10 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 6161 on 2454 degrees of freedom
## Multiple R-squared: 0.8493, Adjusted R-squared: 0.8447
## F-statistic: 186.9 on 74 and 2454 DF, p-value: < 2.2e-16
orig_lm_pred <- predict(orig_lm, newdata = untransformed_test_set)</pre>
## Warning in predict.lm(orig_lm, newdata = untransformed_test_set): prediction
## from a rank-deficient fit may be misleading
print("MAPE is:")
## [1] "MAPE is:"
MAPE(orig_lm_pred, untransformed_test_set$priv_pay_median)
## [1] 0.3173783
Transformed Dataset
transformed_lm <- lm(formula = pay_median ~ ., data = (dev_set %>% select(!c(pay_mean, msa, index))))
#train(
# priv_pay_median ~ .,
# data = (untransformed_dev_set %>% select(!c(priv_pay_mean, msa, index))),
# method = 'lasso'
summary(transformed_lm)
##
## lm(formula = pay_median ~ ., data = (dev_set %>% select(!c(pay_mean,
##
      msa, index))))
##
## Residuals:
##
     Min
              1Q Median
                            3Q
                                  Max
## -37797 -1501
                 168
                         1557 79622
##
## Coefficients: (4 not defined because of singularities)
##
                                               Estimate Std. Error t value
## (Intercept)
                                             -1.357e+06 5.234e+04 -25.925
                                              6.775e+02 2.591e+01
                                                                     26.147
## year
## siteASC
                                                     NA
                                                                NA
                                                                         NA
## siteInpatient
                                              3.429e+03 8.193e+01
                                                                     41.857
## siteOutpatient
                                                     NA
                                                                NA
                                                                         NA
## groupankle_fix
                                             -3.164e+03 1.791e+02 -17.665
## groupant_cerv_fusion
                                              2.596e+03 1.776e+02
                                                                     14.616
                                              1.598e+04 2.251e+02
## groupant_tls_fusion
                                                                    70.980
```

0.089961 .

## StateVirginia

```
## groupbariatric
                                            -4.240e+03 1.835e+02 -23.107
## groupbreast.reconstruction
                                            -3.306e+03 1.830e+02 -18.069
## groupbsp
                                            -3.228e+03 2.757e+02 -11.708
                                            -3.482e+03 2.062e+02 -16.887
## groupbunionectomy
## groupcardiac.ablation
                                             8.785e+03 1.853e+02
                                                                   47.399
## groupcardiac.ablation additional discrete 1.072e+04 2.292e+02
                                                                   46.797
## groupcardiac.ablation linear focal
                                             1.066e+04 2.421e+02
                                                                    44.037
## groupcardiac_ablaton_anesthesia
                                             1.034e+04 5.037e+02
                                                                    20.522
## groupcardiac_ablaton_ice
                                             1.086e+04 2.112e+02
                                                                   51.423
## groupclavicle.fixation
                                            -2.635e+03 2.360e+02 -11.167
## groupcolorect
                                            -5.157e+03 1.924e+02 -26.804
                                            -3.898e+03 2.484e+02 -15.690
## groupfemoral.shaft.fixation
## groupfess
                                            -4.629e+03 1.938e+02 -23.881
## grouphepat
                                            -7.934e+03 2.243e+02 -35.370
## grouphernia
                                            -5.698e+03 1.800e+02 -31.657
## grouphip_fracture_fixation
                                            -4.278e+03 2.214e+02
                                                                  -19.323
                                            -3.541e+03 1.711e+02 -20.690
## grouphysterect
## groupintracranial thromb
                                            1.243e+04 2.985e+02
                                                                  41.638
## groupkidney.ablation
                                            -2.892e+03 3.652e+02
                                                                   -7.919
                                             6.063e+03 4.417e+02
## grouplaac
                                                                    13.728
## grouplap.appendectomy
                                            -4.480e+03 1.950e+02 -22.980
## groupliver.ablation
                                            -1.310e+03 3.046e+02
                                                                   -4.300
                                            -4.195e+03 7.820e+02
## grouplung.ablation
                                                                   -5.365
## groupmastectomy
                                            -4.565e+03 1.818e+02 -25.110
## groupnavigation
                                             2.141e+03 2.747e+02
                                                                    7.795
## grouporthovisc_monovisc
                                            -7.233e+03 3.929e+02 -18.411
## grouppartial.shoulder.arthroplasty
                                            -4.070e+02 2.431e+02
                                                                   -1.674
                                             3.301e+02 2.079e+02
## grouppka
                                                                    1.588
## grouppnn
                                            -5.109e+03 3.127e+02 -16.340
## grouppost_cerv_fusion
                                             2.650e+03 2.310e+02
                                                                  11.472
                                             1.283e+04 1.853e+02
## grouppost_tls_fusion
                                                                    69.249
## groupprostatectomy
                                            -2.995e+03 1.916e+02 -15.635
## groupprox_tibia_fixation
                                            -3.411e+03 2.020e+02 -16.884
                                             3.273e+02 1.999e+02
## groupproximal.humerus
                                                                    1.638
## groupradius.ulna.internal.fixation
                                            -3.395e+03 1.849e+02 -18.359
## grouprevision_tha
                                            -2.011e+03 2.618e+02
                                                                   -7.683
## grouprevision tka
                                             5.624e+03 5.369e+02
                                                                    10.476
## grouprobotic_assisted_surgery
                                            -3.610e+03 2.771e+02 -13.030
## grouprtc_slap_bank
                                            -3.878e+03 1.907e+02 -20.337
## groupseptoplasty
                                            -4.755e+03 2.010e+02 -23.659
## grouptha
                                            -1.371e+03 1.780e+02
                                                                   -7.706
## groupthoracic
                                            -2.386e+03 2.267e+02 -10.525
                                             4.995e+02 1.699e+02
## grouptka
                                                                     2.941
                                            -3.776e+03 2.293e+02 -16.467
## grouptpa
## grouptsa
                                                    NA
                                             1.343e+03 1.672e+01
## mcare_los
                                                                    80.293
## StateAlabama
                                            -2.640e+03 5.167e+02
                                                                   -5.110
## StateAlaska
                                                                   -2.951
                                            -2.477e+03 8.392e+02
## StateArizona
                                            -1.309e+03 5.027e+02
                                                                    -2.604
                                            -2.478e+03 4.937e+02
## StateArkansas
                                                                    -5.020
## StateCalifornia
                                             7.465e+02 5.070e+02
                                                                    1.472
## StateColorado
                                            -1.731e+03 4.536e+02
                                                                   -3.816
## StateDelaware
                                             4.883e+02 6.289e+02
                                                                    0.776
## StateFlorida
                                            -5.720e+02 5.584e+02
                                                                    -1.024
```

```
## StateGeorgia
                                             -1.184e+03 5.353e+02
                                                                     -2.212
## StateHawaii
                                              1.641e+03 1.285e+03
                                                                      1.277
## StateIllinois
                                             -1.943e+03 4.961e+02
                                                                     -3.916
## StateTowa
                                             -2.234e+03 4.863e+02
                                                                     -4.595
## StateKansas
                                             -2.101e+03 4.753e+02
                                                                     -4.420
## StateMaryland
                                              3.803e+03 6.031e+02
                                                                     6.305
## StateMassachusetts
                                              1.438e+03 6.649e+02
                                                                     2.162
## StateMichigan
                                             -1.595e+03 5.341e+02
                                                                     -2.987
## StateMinnesota
                                             -9.916e+02 4.971e+02
                                                                     -1.995
## StateMississippi
                                             -1.920e+03 5.467e+02
                                                                     -3.512
## StateMissouri
                                             -2.181e+03 5.132e+02
                                                                     -4.249
                                             -2.135e+03 5.503e+02
## StateNebraska
                                                                     -3.879
## StateNevada
                                             -1.801e+03 5.252e+02
                                                                     -3.429
## StateNew.Jersey
                                              5.835e+02 6.166e+02
                                                                     0.946
## StateNew.York
                                             -4.282e+02 6.142e+02
                                                                     -0.697
                                             -6.114e+02 5.632e+02
## StateNorth.Carolina
                                                                     -1.086
## StateNorth.Dakota
                                             -2.349e+03 7.356e+02
                                                                     -3.193
## StateOhio
                                             -1.966e+03 5.434e+02
                                                                     -3.618
## StateOklahoma
                                             -2.481e+03 4.879e+02
                                                                     -5.085
                                             -1.869e+03 5.130e+02
## StateOregon
                                                                     -3.644
## StatePennsylvania
                                             -1.051e+03 5.910e+02
                                                                     -1.778
## StatePuerto.Rico
                                             -1.218e+03 1.280e+03
                                                                     -0.952
## StateRhode.Island
                                              5.211e+01 7.119e+02
                                                                     0.073
## StateSouth.Dakota
                                             -2.033e+03 5.313e+02
                                                                     -3.827
## StateTennessee
                                             -2.068e+03 5.333e+02 -3.877
## StateTexas
                                             -1.267e+03 4.772e+02
                                                                     -2.655
## StateUtah
                                             -2.490e+03 4.806e+02
                                                                     -5.180
                                             -3.838e+03 7.746e+02
## StateVermont
                                                                     -4.955
## StateVirginia
                                             -6.575e+02 5.761e+02
                                                                     -1.141
## StateWashington
                                             -2.273e+03 4.951e+02
                                                                     -4.591
                                             -1.703e+03 6.022e+02
## StateWest.Virginia
                                                                     -2.828
## StateWisconsin
                                             -1.499e+03 5.117e+02
                                                                     -2.929
## StateWyoming
                                                     NA
                                                                NA
                                                                         NA
                                             -5.175e+01 1.409e+01
                                                                     -3.674
## lon
                                              1.029e+02 1.842e+01
## lat
                                                                      5.589
## public_privatepublic
                                             -1.109e+04 8.986e+01 -123.445
##
                                             Pr(>|t|)
## (Intercept)
                                              < 2e-16 ***
## year
                                              < 2e-16 ***
## siteASC
                                                   NA
## siteInpatient
                                              < 2e-16 ***
## siteOutpatient
                                                   NΑ
                                              < 2e-16 ***
## groupankle fix
                                              < 2e-16 ***
## groupant_cerv_fusion
## groupant_tls_fusion
                                              < 2e-16 ***
                                              < 2e-16 ***
## groupbariatric
## groupbreast.reconstruction
                                              < 2e-16 ***
                                              < 2e-16 ***
## groupbsp
## groupbunionectomy
                                              < 2e-16 ***
                                              < 2e-16 ***
## groupcardiac.ablation
## groupcardiac.ablation_additional_discrete < 2e-16 ***</pre>
## groupcardiac.ablation_linear_focal
                                              < 2e-16 ***
## groupcardiac_ablaton_anesthesia
                                              < 2e-16 ***
## groupcardiac_ablaton_ice
                                              < 2e-16 ***
```

	groupclavicle.fixation	< 2e-16	
	groupcolorect	< 2e-16	
	groupfemoral.shaft.fixation	< 2e-16	
	groupfess	< 2e-16	
	grouphepat	< 2e-16	
	grouphernia	< 2e-16	
	grouphip_fracture_fixation	< 2e-16	
	grouphysterect	< 2e-16	
	groupintracranial_thromb	< 2e-16	
	groupkidney.ablation	2.45e-15	
	grouplaac	< 2e-16	
	grouplap.appendectomy	< 2e-16	
	groupliver.ablation	1.71e-05	
	grouplung.ablation	8.16e-08	
	groupmastectomy	< 2e-16	
	groupnavigation	6.58e-15	
	grouporthovisc_monovisc	< 2e-16	
	grouppartial.shoulder.arthroplasty	0.094078	•
	grouppka	0.112328	
	grouppnn	< 2e-16	
	<pre>grouppost_cerv_fusion</pre>	< 2e-16	
	<pre>grouppost_tls_fusion</pre>	< 2e-16	
	groupprostatectomy	< 2e-16	
	<pre>groupprox_tibia_fixation</pre>	< 2e-16	***
	groupproximal.humerus	0.101524	
	groupradius.ulna.internal.fixation	< 2e-16	
	<pre>grouprevision_tha</pre>	1.59e-14	
	<pre>grouprevision_tka</pre>	< 2e-16	***
	<pre>grouprobotic_assisted_surgery</pre>	< 2e-16	***
	<pre>grouprtc_slap_bank</pre>	< 2e-16	***
	groupseptoplasty	< 2e-16	***
	grouptha	1.32e-14	***
	groupthoracic	< 2e-16	***
##	grouptka	0.003278	**
##	grouptpa	< 2e-16	***
##	grouptsa	NA	
##	mcare_los	< 2e-16	***
##	StateAlabama	3.24e-07	***
##	StateAlaska	0.003168	**
##	StateArizona	0.009231	**
##	StateArkansas	5.20e-07	***
##	StateCalifornia	0.140930	
##	StateColorado	0.000136	***
##	StateDelaware	0.437496	
##	StateFlorida	0.305683	
##	StateGeorgia	0.026967	*
##	StateHawaii	0.201687	
##	StateIllinois	9.01e-05	***
##	StateIowa	4.34e-06	***
##	StateKansas	9.90e-06	***
##	StateMaryland	2.91e-10	***
##	StateMassachusetts	0.030586	*
##	StateMichigan	0.002822	**
##	StateMinnesota	0.046075	*

```
## StateMississippi
                                             0.000445 ***
## StateMissouri
                                              2.15e-05 ***
## StateNebraska
                                             0.000105 ***
## StateNevada
                                             0.000606 ***
## StateNew.Jersey
                                             0.343956
## StateNew.York
                                             0.485750
## StateNorth.Carolina
                                             0.277665
## StateNorth.Dakota
                                             0.001409 **
## StateOhio
                                             0.000297 ***
## StateOklahoma
                                             3.69e-07 ***
## StateOregon
                                             0.000269 ***
## StatePennsylvania
                                             0.075464 .
## StatePuerto.Rico
                                             0.341246
## StateRhode.Island
                                             0.941650
## StateSouth.Dakota
                                             0.000130 ***
## StateTennessee
                                             0.000106 ***
## StateTexas
                                             0.007932 **
## StateUtah
                                             2.23e-07 ***
## StateVermont
                                             7.28e-07 ***
## StateVirginia
                                             0.253769
## StateWashington
                                             4.43e-06 ***
## StateWest.Virginia
                                             0.004686 **
## StateWisconsin
                                             0.003398 **
## StateWyoming
                                                    NA
                                             0.000239 ***
## lon
## lat
                                             2.30e-08 ***
                                              < 2e-16 ***
## public_privatepublic
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 4206 on 39623 degrees of freedom
     (2142 observations deleted due to missingness)
## Multiple R-squared: 0.7683, Adjusted R-squared: 0.7677
## F-statistic: 1413 on 93 and 39623 DF, p-value: < 2.2e-16
transformed_lm_pred <- predict(transformed_lm, newdata = test_set)</pre>
## Warning in predict.lm(transformed_lm, newdata = test_set): prediction from a
## rank-deficient fit may be misleading
print("MAPE is:")
## [1] "MAPE is:"
MAPE(transformed_lm_pred, test_set$pay_median)
```

## [1] 0.6621433