Predictive Analytics for Healthcare Cost Reduction

2023-04-29

```
#required libaries
library(dplyr)
##
## Attaching package: 'dplyr'
## The following objects are masked from 'package:stats':
##
##
      filter, lag
## The following objects are masked from 'package:base':
##
##
       intersect, setdiff, setequal, union
library(ggplot2)
library(tidyverse)
## — Attaching core tidyverse packages -
                                                               – tidyverse 2.0.0 —
## √ forcats 1.0.0

√ stringr

                                     1.5.0
## ✓ lubridate 1.9.2
                         √ tibble
                                     3.2.1
## √ purrr 1.0.1
                         √ tidyr
                                     1.3.0
## √ readr
               2.1.4
## -- Conflicts -
                                                       --- tidyverse conflicts() ---
## X dplyr::filter() masks stats::filter()
## X dplyr::lag()
                     masks stats::lag()
## i Use the conflicted package (<http://conflicted.r-lib.org/>) to force all conflicts to becom
e errors
library(rsample)
library(caret)
## Loading required package: lattice
##
## Attaching package: 'caret'
##
## The following object is masked from 'package:purrr':
##
##
       lift
```

library(kernlab)

```
##
## Attaching package: 'kernlab'
##
## The following object is masked from 'package:purrr':
##
## cross
##
## The following object is masked from 'package:ggplot2':
##
## alpha
```

library(e1071)

```
##
## Attaching package: 'e1071'
##
## The following object is masked from 'package:rsample':
##
## permutations
```

library(arules)

```
## Loading required package: Matrix
##
## Attaching package: 'Matrix'
##
## The following objects are masked from 'package:tidyr':
##
##
       expand, pack, unpack
##
##
## Attaching package: 'arules'
##
## The following object is masked from 'package:kernlab':
##
##
       size
##
## The following object is masked from 'package:dplyr':
##
##
       recode
##
## The following objects are masked from 'package:base':
##
##
       abbreviate, write
```

```
library(arulesViz)
library(imputeTS)

## Registered S3 method overwritten by 'quantmod':
## method from
## as.zoo.data.frame zoo

library(rio)
library(rpart)
library(rpart.plot)
```

```
# Loading the given dataset
MyData <- read_csv("https://intro-datascience.s3.us-east-2.amazonaws.com/HMO_data.csv")</pre>
```

```
## Rows: 7582 Columns: 14
## — Column specification —
## Delimiter: ","
## chr (8): smoker, location, location_type, education_level, yearly_physical, ...
## dbl (6): X, age, bmi, children, hypertension, cost
##
## i Use `spec()` to retrieve the full column specification for this data.
## i Specify the column types or set `show_col_types = FALSE` to quiet this message.
```

```
#checking dataset
head(MyData)
```

library(caret)

```
## # A tibble: 6 × 14
##
                   bmi children smoker location
                                                    location_type education_level
         Χ
             age
##
     <dbl> <dbl> <dbl>
                         <dbl> <chr> <chr>
                                                     <chr>>
                                                                   <chr>>
             18 27.9
## 1
        1
                              0 yes
                                       CONNECTICUT
                                                    Urban
                                                                   Bachelor
## 2
         2
              19 33.8
                              1 no
                                       RHODE ISLAND Urban
                                                                   Bachelor
## 3
         3
              27 33
                              3 no
                                      MASSACHUSETTS Urban
                                                                  Master
## 4
        4
             34 22.7
                              0 no
                                      PENNSYLVANIA Country
                                                                  Master
              32 28.9
                                                                   PhD
## 5
        5
                              0 no
                                      PENNSYLVANIA Country
## 6
        7
              47 33.4
                                      PENNSYLVANIA Urban
                                                                   Bachelor
                              1 no
## # i 6 more variables: yearly_physical <chr>, exercise <chr>, married <chr>,
## #
       hypertension <dbl>, gender <chr>, cost <dbl>
```

```
# Viewing the dataframe
#view(data)
str(MyData)
```

```
## spc_tbl_ [7,582 x 14] (S3: spec_tbl_df/tbl_df/tbl/data.frame)
   $ X
                     : num [1:7582] 1 2 3 4 5 7 9 10 11 12 ...
##
   $ age
                     : num [1:7582] 18 19 27 34 32 47 36 59 24 61 ...
##
   $ bmi
##
                    : num [1:7582] 27.9 33.8 33 22.7 28.9 ...
                     : num [1:7582] 0 1 3 0 0 1 2 0 0 0 ...
## $ children
                    : chr [1:7582] "yes" "no" "no" "no" ...
   $ smoker
##
##
   $ location
                     : chr [1:7582] "CONNECTICUT" "RHODE ISLAND" "MASSACHUSETTS" "PENNSYLVANIA"
. . .
   $ location type : chr [1:7582] "Urban" "Urban" "Urban" "Country" ...
##
   $ education_level: chr [1:7582] "Bachelor" "Bachelor" "Master" "Master" ...
##
## $ yearly physical: chr [1:7582] "No" "No" "No" "No" ...
##
   $ exercise
                    : chr [1:7582] "Active" "Not-Active" "Active" "Not-Active" ...
   $ married
                    : chr [1:7582] "Married" "Married" "Married" ...
##
##
   $ hypertension : num [1:7582] 0 0 0 1 0 0 0 1 0 0 ...
                    : chr [1:7582] "female" "male" "male" "male" ...
##
   $ gender
                    : num [1:7582] 1746 602 576 5562 836 ...
##
   $ cost
##
   - attr(*, "spec")=
##
    .. cols(
##
         X = col double(),
##
         age = col_double(),
##
         bmi = col double(),
     . .
         children = col_double(),
##
##
         smoker = col character(),
##
         location = col_character(),
     . .
##
         location_type = col_character(),
##
         education level = col character(),
##
         yearly_physical = col_character(),
##
         exercise = col character(),
##
         married = col_character(),
         hypertension = col double(),
##
##
          gender = col_character(),
##
         cost = col double()
##
     .. )
   - attr(*, "problems")=<externalptr>
##
```

```
#summary of the dataset
summary(MyData)
```

```
##
                                              bmi
                                                             children
          Χ
                              age
           :
                                :18.00
##
    Min.
                        Min.
                                         Min.
                                                 :15.96
                                                          Min.
                                                                  :0.000
                     1
##
    1st Qu.:
                 5635
                         1st Qu.:26.00
                                         1st Qu.:26.60
                                                          1st Qu.:0.000
    Median :
                24916
                         Median :39.00
                                         Median :30.50
##
                                                          Median :1.000
    Mean
               712602
                         Mean
                                :38.89
                                         Mean
                                                :30.80
                                                                 :1.109
##
                                                          Mean
                         3rd Qu.:51.00
                                         3rd Qu.:34.77
    3rd Qu.:
               118486
                                                          3rd Qu.:2.000
##
##
    Max.
           :131101111
                         Max.
                                :66.00
                                         Max.
                                                 :53.13
                                                          Max.
                                                                 :5.000
                                         NA's
                                                 :78
##
       smoker
                          location
                                            location type
                                                               education level
##
    Length:7582
                        Length:7582
                                            Length:7582
                                                               Length:7582
##
    Class :character
                        Class :character
                                           Class :character
                                                               Class :character
##
                                           Mode :character
##
    Mode :character
                       Mode :character
                                                               Mode :character
##
##
##
##
##
    yearly physical
                          exercise
                                              married
                                                                hypertension
##
    Length:7582
                        Length:7582
                                            Length:7582
                                                               Min.
                                                                       :0.0000
    Class :character
                        Class :character
                                           Class :character
##
                                                               1st Qu.:0.0000
    Mode :character
                       Mode :character
                                           Mode :character
                                                               Median :0.0000
##
##
                                                               Mean
                                                                       :0.2005
##
                                                               3rd Qu.:0.0000
                                                                       :1.0000
##
                                                               Max.
                                                               NA's
##
                                                                       :80
##
       gender
                             cost
##
    Length:7582
                       Min.
                               :
                                    2
                       1st Qu.: 970
##
    Class :character
##
    Mode :character
                       Median: 2500
                               : 4043
##
                       Mean
##
                        3rd Qu.: 4775
##
                        Max.
                               :55715
##
```

cleaning the dataframe and Checking for Null values
colSums(is.na(MyData))

```
##
                  Χ
                                                    bmi
                                                                children
                                                                                   smoker
                                  age
##
                  0
                                    0
                                                    78
                                                                       0
                                                                                         0
                       location_type education_level yearly_physical
##
           location
                                                                                 exercise
##
                  0
                                                      0
                                                                                         0
                                                                       0
##
            married
                        hypertension
                                                gender
                                                                    cost
##
                  0
                                   80
                                                      0
                                                                       0
```

```
# Removing Null values
MyData$bmi<- na_interpolation(MyData$bmi)
MyData$hypertension <- na_interpolation(MyData$hypertension)</pre>
```

#Checking third quantile of cost to set threshold for cost as expensive or inexpensive variable (MyData\$cost, probs = c(0.75))

```
## 75%
## 4775
```

```
#creating expensive column
MyData$expensive <- MyData$cost>4775
head(MyData)
```

```
## # A tibble: 6 × 15
##
         Χ
             age
                   bmi children smoker location
                                                     location_type education_level
     <dbl> <dbl> <dbl>
                          <dbl> <chr> <chr>
                                                     <chr>>
                                                                   <chr>>
##
## 1
              18 27.9
                              0 yes
                                       CONNECTICUT
                                                     Urban
                                                                   Bachelor
         1
## 2
         2
              19 33.8
                              1 no
                                       RHODE ISLAND Urban
                                                                   Bachelor
## 3
         3
              27 33
                                       MASSACHUSETTS Urban
                                                                   Master
                              3 no
         4
             34 22.7
## 4
                              0 no
                                       PENNSYLVANIA Country
                                                                   Master
## 5
         5
             32 28.9
                                       PENNSYLVANIA Country
                                                                   PhD
                              0 no
## 6
         7
              47 33.4
                              1 no
                                       PENNSYLVANIA Urban
                                                                   Bachelor
## # i 7 more variables: yearly physical <chr>, exercise <chr>, married <chr>,
       hypertension <dbl>, gender <chr>, cost <dbl>, expensive <lgl>
```

```
#replacing all true values with 1 and false with 0's
MyData <- MyData %>%mutate(expensive=str_replace_all(string=expensive,pattern="TRUE","1"))
MyData <- MyData %>%mutate(expensive=str_replace_all(string=expensive,pattern="FALSE","0"))
head(MyData)
```

```
## # A tibble: 6 × 15
##
                   bmi children smoker location
                                                     location type education level
         Χ
             age
     <dbl> <dbl> <dbl>
                          <dbl> <chr> <chr>
                                                     <chr>>
                                                                   <chr>>
##
## 1
         1
              18 27.9
                              0 yes
                                       CONNECTICUT
                                                     Urban
                                                                   Bachelor
## 2
         2
              19 33.8
                              1 no
                                       RHODE ISLAND Urban
                                                                   Bachelor
             27 33
## 3
         3
                              3 no
                                       MASSACHUSETTS Urban
                                                                   Master
## 4
         4
             34 22.7
                              0 no
                                       PENNSYLVANIA Country
                                                                   Master
         5
## 5
              32 28.9
                              0 no
                                       PENNSYLVANIA Country
                                                                   PhD
## 6
         7
              47 33.4
                                       PENNSYLVANIA Urban
                                                                   Bachelor
                              1 no
## # i 7 more variables: yearly_physical <chr>, exercise <chr>, married <chr>,
       hypertension <dbl>, gender <chr>, cost <dbl>, expensive <chr>
## #
```

```
#dividing expensive and inexpensive people into 2 categories
expensivePeople <- subset(MyData,expensive=="1")
inexpensivePeople <- subset(MyData,expensive=="0")
head(expensivePeople)</pre>
```

```
## # A tibble: 6 × 15
                   bmi children smoker location
                                                      location_type education_level
##
         Χ
             age
     <dbl> <dbl> <dbl>
                           <dbl> <chr>
                                        <chr>>
                                                      <chr>>
                                                                    <chr>>
##
                  22.7
## 1
         4
              34
                               0 no
                                        PENNSYLVANIA Country
                                                                    Master
                  25.8
## 2
        10
              59
                                        PENNSYLVANIA Country
                               0 no
                                                                    Bachelor
## 3
              26 42.1
                                        PENNSYLVANIA Urban
                                                                    Bachelor
        15
                               0 yes
## 4
        20
              31 35.3
                               0 yes
                                        PENNSYLVANIA Urban
                                                                    PhD
## 5
                                                                    No College Degree
        24
              32 31.9
                               1 yes
                                        NEW JERSEY
                                                     Urban
## 6
              31 36.3
                               2 yes
                                        PENNSYLVANIA Urban
                                                                    Bachelor
        30
## # i 7 more variables: yearly_physical <chr>, exercise <chr>, married <chr>,
       hypertension <dbl>, gender <chr>, cost <dbl>, expensive <chr>
```

head(inexpensivePeople)

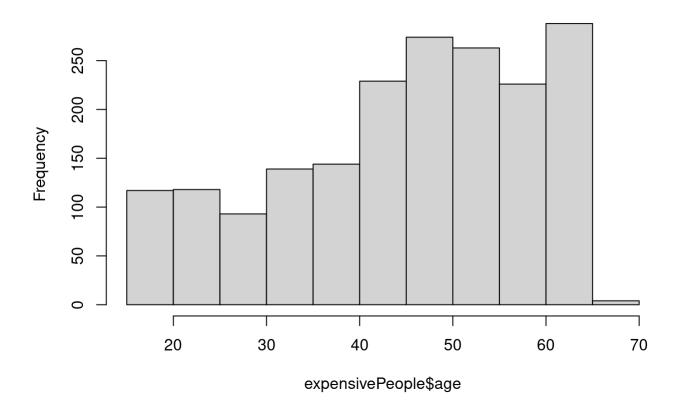
```
## # A tibble: 6 × 15
                   bmi children smoker location
                                                      location type education level
##
         Χ
             age
##
     <dbl> <dbl> <dbl>
                          <dbl> <chr>>
                                        <chr>>
                                                       <chr>>
                                                                     <chr>>
         1
              18 27.9
                              0 yes
                                        CONNECTICUT
                                                      Urban
                                                                     Bachelor
## 1
              19 33.8
## 2
         2
                              1 no
                                        RHODE ISLAND Urban
                                                                     Bachelor
## 3
         3
              27 33
                              3 no
                                        MASSACHUSETTS Urban
                                                                     Master
## 4
         5
              32 28.9
                              0 no
                                        PENNSYLVANIA
                                                      Country
                                                                     PhD
## 5
         7
              47 33.4
                                        PENNSYLVANIA Urban
                              1 no
                                                                     Bachelor
## 6
         9
              36 29.8
                              2 no
                                        PENNSYLVANIA Urban
                                                                     Bachelor
## # i 7 more variables: yearly_physical <chr>, exercise <chr>, married <chr>,
       hypertension <dbl>, gender <chr>, cost <dbl>, expensive <chr>
```

smokerPeople <- subset(MyData,smoker=="yes")
head(smokerPeople)</pre>

```
## # A tibble: 6 × 15
         Χ
             age
                   bmi children smoker location
                                                     location type education level
##
     <dbl> <dbl> <dbl>
                          <dbl> <chr>
                                        <chr>>
                                                     <chr>>
                                                                    <chr>>
##
## 1
         1
              18
                 27.9
                               0 yes
                                        CONNECTICUT Urban
                                                                    Bachelor
        12
              61 26.3
                               0 yes
                                                                    No College Degree
## 2
                                        CONNECTICUT Urban
## 3
        15
              26 42.1
                               0 yes
                                        PENNSYLVANIA Urban
                                                                    Bachelor
## 4
        20
              31 35.3
                                        PENNSYLVANIA Urban
                                                                    PhD
                               0 yes
## 5
        24
              32 31.9
                               1 yes
                                        NEW JERSEY
                                                     Urban
                                                                    No College Degree
## 6
        30
              31 36.3
                               2 yes
                                        PENNSYLVANIA Urban
                                                                    Bachelor
## # i 7 more variables: yearly_physical <chr>, exercise <chr>, married <chr>,
       hypertension <dbl>, gender <chr>, cost <dbl>, expensive <chr>
```

```
# exploratory analysis
# creating histogram for people's age under expensive category
hist(expensivePeople$age)
```

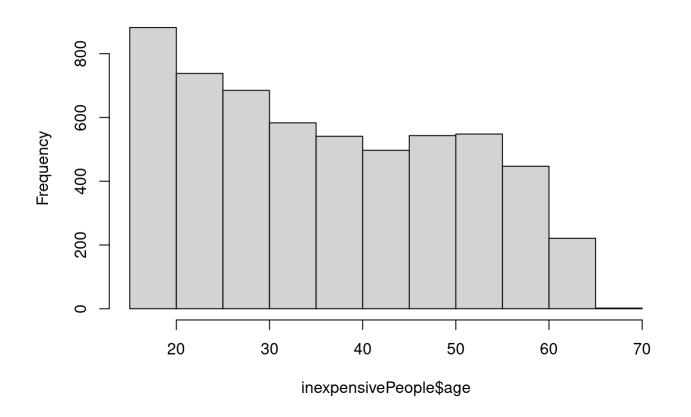
Histogram of expensivePeople\$age



#people with age between 40 to 65 most likely to pay more for their healthcare cost

#creating histogram for analyzing age group of inexpensive healthcare group hist(inexpensivePeople\$age)

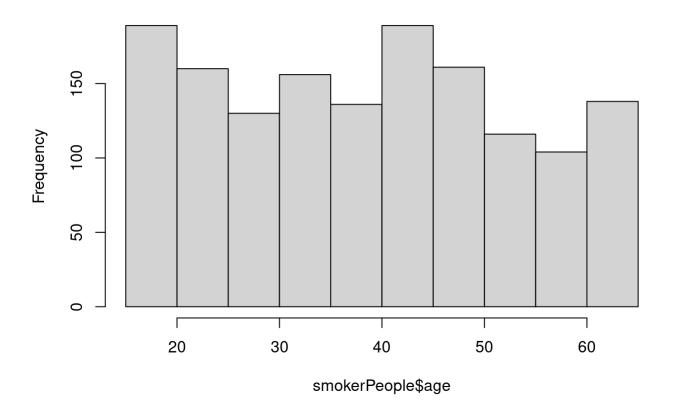
Histogram of inexpensivePeople\$age



#younger group starting from age 18 to 40 comes under inexpensive healthcare cost group

#creating histogram for analyzing age group of people who smoke
hist(smokerPeople\$age)

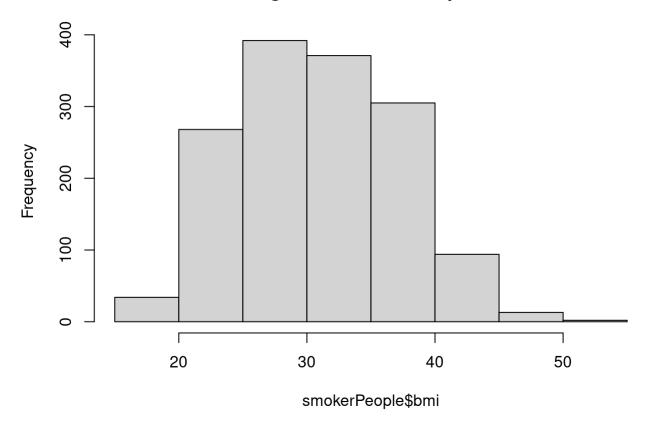
Histogram of smokerPeople\$age



#peole of age between 18 to 25 and 40 to 45 tends to smoke more than other age groups

#creating histogram to analyze bmi for people who fall under smoking category
hist(smokerPeople\$bmi)

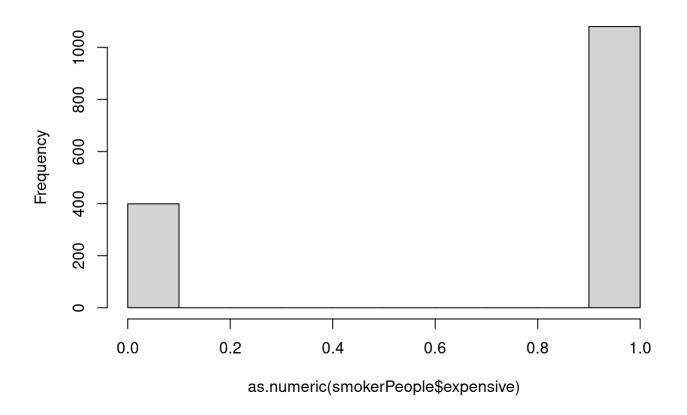
Histogram of smokerPeople\$bmi



#majority people who smoke do not fall under healthy bmi range of 18 to 25

#creating histogram to analyze whether smokers pay more for their healthcare
hist(as.numeric(smokerPeople\$expensive))

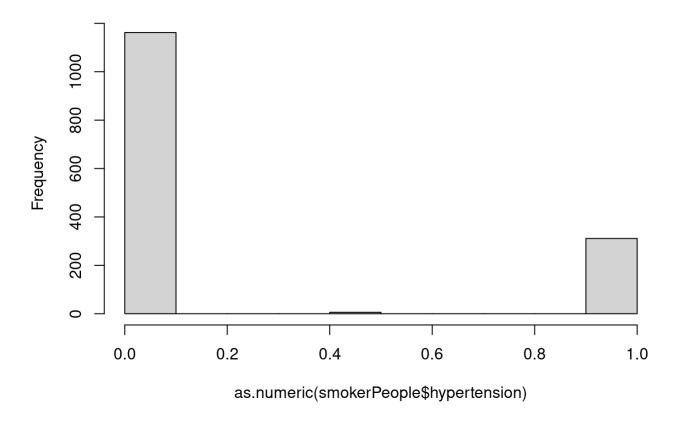
Histogram of as.numeric(smokerPeople\$expensive)



majority of people who smoke tends to pay more

#creating histogram to analyze relation between smokers and hypertension
hist(as.numeric(smokerPeople\$hypertension))

Histogram of as.numeric(smokerPeople\$hypertension)

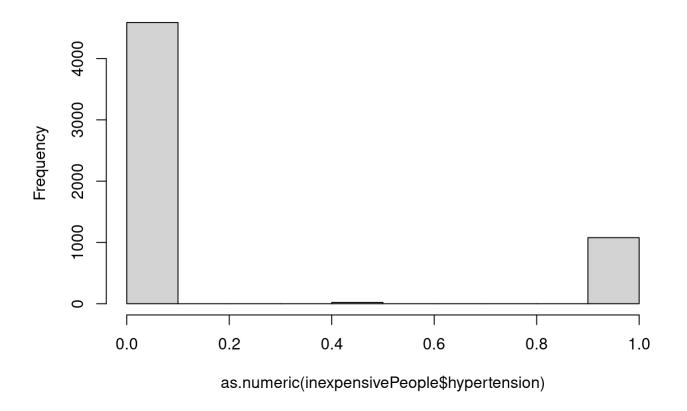


majority of people who smoke are less likely to have hypertension. hence we can say that hyper tension does not directly effect on healthcare cost for people who smoke

#creating histogram to analyze relation between people who pay less for health care cost and hav e hypertension

hist(as.numeric(inexpensivePeople\$hypertension))

Histogram of as.numeric(inexpensivePeople\$hypertension)



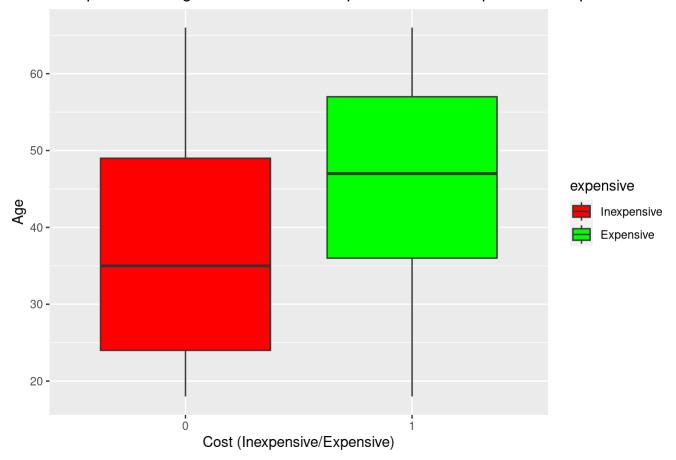
majority of people who pays less for healthcare are less likely to have hypertension. hence we can say that peopel who dont have hypertension tend to pay less for there healthcare cost

```
library(ggplot2)

# Create a subset of MyData for expensive and inexpensive people
expensivePeople <- subset(MyData, expensive == "1")
inexpensivePeople <- subset(MyData, expensive == "0")

# Create a box plot to compare age distribution for expensive and inexpensive people
ggplot(data = rbind(expensivePeople, inexpensivePeople), aes(x = expensive, y = age, fill = expensive)) +
    geom_boxplot() +
    labs(title = "Comparison of Age Distribution for Expensive and Inexpensive People", x = "Cost
(Inexpensive/Expensive)", y = "Age") +
    scale_fill_manual(values = c("red", "green"), labels = c("Inexpensive", "Expensive"))</pre>
```

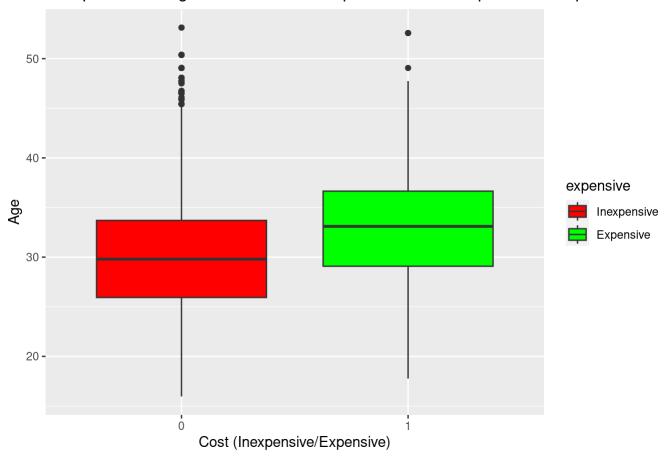
Comparison of Age Distribution for Expensive and Inexpensive People



#We used a box plot to compare the age distribution of people categorized as "expensive" and "in expensive" in terms of their healthcare cost. The results showed that the cost by age is general ly higher for those in the "expensive" category compared to those in the "inexpensive" category. This is indicated by the median age of approximately 47 for the "expensive" group, which is high er than the median age of 35 for the "inexpensive" group.

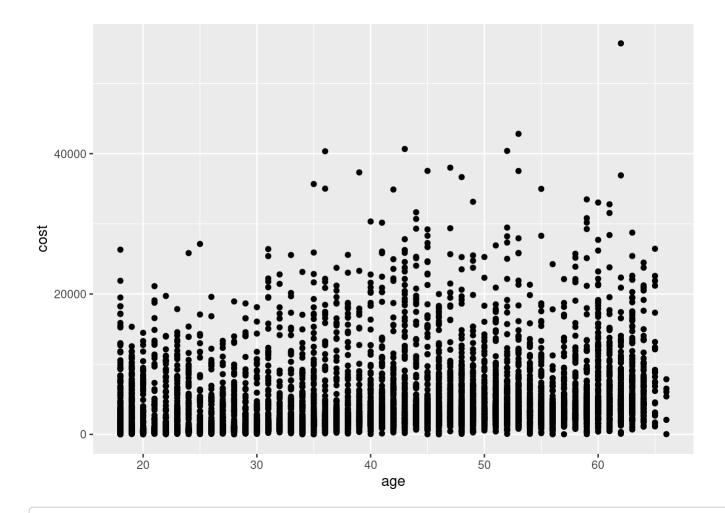
```
ggplot(data = rbind(expensivePeople, inexpensivePeople), aes(x = expensive, y = bmi, fill = expe
nsive)) +
  geom_boxplot() +
  labs(title = "Comparison of Age Distribution for Expensive and Inexpensive People", x = "Cost
(Inexpensive/Expensive)", y = "Age") +
  scale_fill_manual(values = c("red", "green"), labels = c("Inexpensive", "Expensive"))
```

Comparison of Age Distribution for Expensive and Inexpensive People



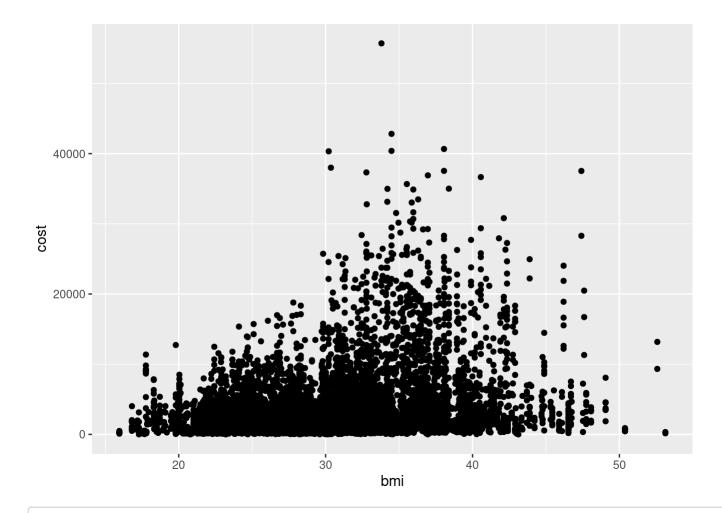
#We also generated a box plot to compare the BMI distribution between "expensive" and "inexpensive" groups. The results revealed that the median BMI for "expensive" group is greater than that of "inexpensive" group, indicating that the healthcare cost tends to be higher for people with higher BMI.

```
#Scatterplot for Age Vs Cost
AgeCost <- ggplot(MyData,aes(x=age, y=cost)) + geom_point()
AgeCost</pre>
```



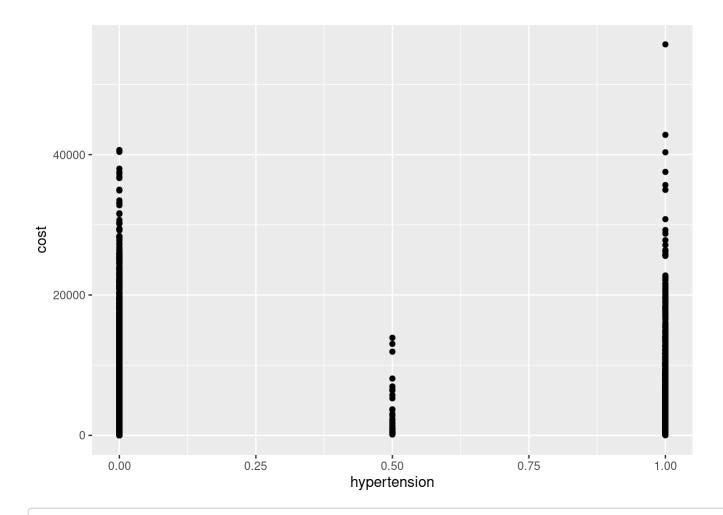
#cost vs age : age has a positive correlation to increasing healthcare costs.

```
#Scatterplot for Bmi Vs Cost
BmiCost <- ggplot(MyData,aes(x=bmi, y=cost)) + geom_point()
BmiCost</pre>
```



 $\# cost \ vs \ BMI: \ BMI \ has \ a \ positive \ correlation \ with \ cost$, $P e opel \ with \ BMI \ in \ the \ range \ 30-40 \ tend \ s \ to \ pay \ higher \ health \ care \ cost$

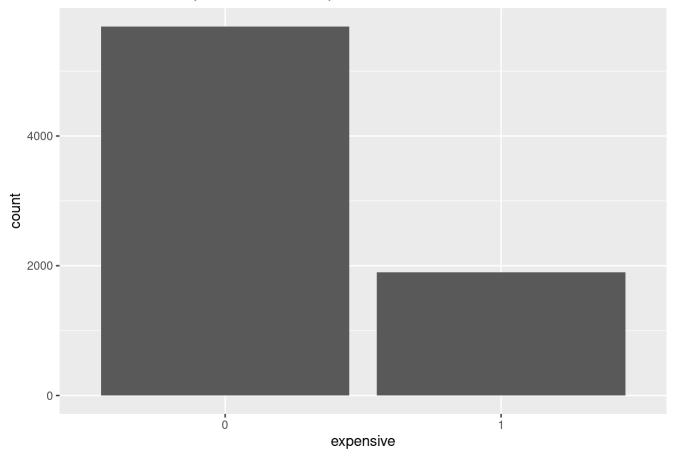
#Scatterplot for Hypertension Vs Cost
HyperTensionCost <- ggplot(MyData,aes(x=hypertension, y=cost)) + geom_point()
HyperTensionCost</pre>



#from the above visualization we can say that hypertension is not one of the significant factor to determine healthcare cost

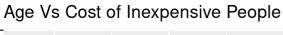
#barplot for expensive count
ExpensivePlot <- ggplot(MyData,aes(x=expensive)) + geom_bar() + ggtitle(" Count of total expensi
ve and inexpensive")
ExpensivePlot</pre>

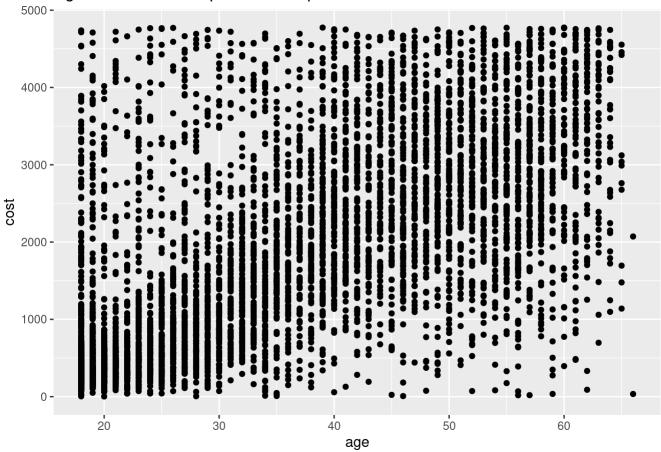
Count of total expensive and inexpensive



#Majority of people from sample data falls under the inexpensive category

#Bar plot for Age vs Expensive and Inexpensive people
ggplot(inexpensivePeople, aes(x=age,y=cost))+geom_point() + ggtitle("Age Vs Cost of Inexpensive
People")

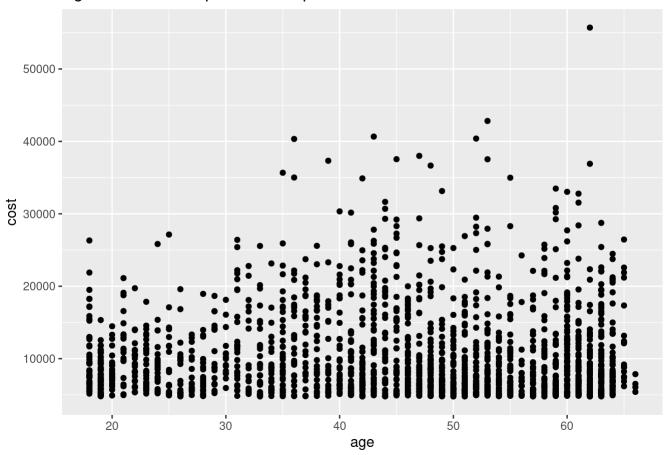




#there is a positive correlation between age and cost refering to the dense area of the graph

ggplot(expensivePeople, aes(x=age,y=cost))+geom_point() + ggtitle("Age Vs Cost of Expensive Peop le")

Age Vs Cost of Expensive People



```
#creating a new data frame
HMOData <- data.frame(age = MyData$age,</pre>
bmi = MyData$bmi,
                      smoker= MyData$smoker,
                      yearly_physical= MyData$yearly_physical,
                      children = MyData$children,
                      exercise =MyData$exercise,
                      hypertension = MyData$hypertension,
                      expensive=as.factor(MyData$expensive))
# replacing TRUE with 1 and FALSE with 0
HMOData <- HMOData %>% mutate( expensive = str_replace_all( string = expensive, pattern = "TRU
E","1"))
HMOData <- HMOData %>% mutate( expensive = str_replace_all( string = expensive, pattern = "FALS
E","0"))
HMOData$expensive <- as.factor(HMOData$expensive)</pre>
str(HMOData)
```

```
## 'data.frame':
                   7582 obs. of 8 variables:
                     : num 18 19 27 34 32 47 36 59 24 61 ...
   $ age
##
## $ bmi
                     : num 27.9 33.8 33 22.7 28.9 ...
                    : chr "yes" "no" "no" "no" ...
## $ smoker
## $ yearly_physical: chr "No" "No" "No" "No" "No" ...
## $ children
                    : num 0130012000...
##
   $ exercise
                     : chr "Active" "Not-Active" "Active" "Not-Active" ...
## $ hypertension : num 0 0 0 1 0 0 0 1 0 0 ...
                     : Factor w/ 2 levels "0", "1": 1 1 1 2 1 1 1 2 1 1 ...
## $ expensive
library(caret)
# Spliting data into training and testing sets for svm
trainListS <- createDataPartition(y=HMOData$expensive,p=0.80,list=FALSE)</pre>
trainSetS <- HMOData[trainListS,]</pre>
testSetS <- HMOData[-trainListS,]</pre>
dim(trainSetS)
## [1] 6066
summary(trainSetS)
##
                        bmi
                                       smoker
                                                      yearly_physical
         age
   Min.
           :18.00
                          :15.96
                                   Length:6066
                                                      Length:6066
##
                   Min.
##
   1st Qu.:26.00
                   1st Qu.:26.60
                                   Class :character
                                                      Class :character
                                   Mode :character
## Median :39.00
                   Median :30.50
                                                      Mode :character
##
   Mean
         :39.04
                   Mean
                          :30.77
   3rd Qu.:51.00
                   3rd Qu.:34.60
##
##
   Max.
          :66.00
                   Max. :53.13
      children
##
                     exercise
                                       hypertension
                                                      expensive
  Min.
           :0.000
                   Length:6066
                                      Min.
                                             :0.000
                                                      0:4550
##
   1st Qu.:0.000
                   Class :character
                                      1st Qu.:0.000
                                                      1:1516
##
   Median :1.000
                   Mode :character
                                      Median :0.000
##
                                             :0.201
##
  Mean
          :1.105
                                      Mean
   3rd Qu.:2.000
                                       3rd Qu.:0.000
##
                                             :1.000
## Max.
           :5.000
                                      Max.
```

```
# Building SVM model
set.seed(123)
library(e1071)
ksvm_model <- svm(data= trainSetS, expensive~.,C=5, CV=3, prob.model= TRUE)
svmPred<- predict(ksvm_model,newdata= testSetS, type= "response")
head(svmPred)</pre>
```

```
## 2 7 8 17 26 31
## 0 0 0 1 1 0
## Levels: 0 1
```

Checking accuracy of svm model using confusion matrix
confusionMatrix(svmPred,as.factor(testSetS\$expensive))

```
## Confusion Matrix and Statistics
##
##
             Reference
## Prediction
                 0
                      1
            0 1116 173
##
##
                21 206
##
                  Accuracy: 0.872
##
##
                    95% CI: (0.8542, 0.8884)
       No Information Rate : 0.75
##
       P-Value [Acc > NIR] : < 2.2e-16
##
##
##
                     Kappa : 0.6061
##
##
    Mcnemar's Test P-Value : < 2.2e-16
##
               Sensitivity: 0.9815
##
##
               Specificity: 0.5435
            Pos Pred Value : 0.8658
##
            Neg Pred Value : 0.9075
##
##
                Prevalence : 0.7500
##
            Detection Rate : 0.7361
##
      Detection Prevalence : 0.8503
         Balanced Accuracy : 0.7625
##
##
          'Positive' Class : 0
##
##
```

```
# Building a tree model
rpart_model <- rpart(expensive ~ age+bmi+children+smoker+hypertension+exercise+yearly_physical,
data = trainSetS, method = "class")
rpartPred <- predict(rpart_model, newdata= testSetS, type= "class")
confusionMatrix(rpartPred, as.factor(testSetS$expensive))</pre>
```

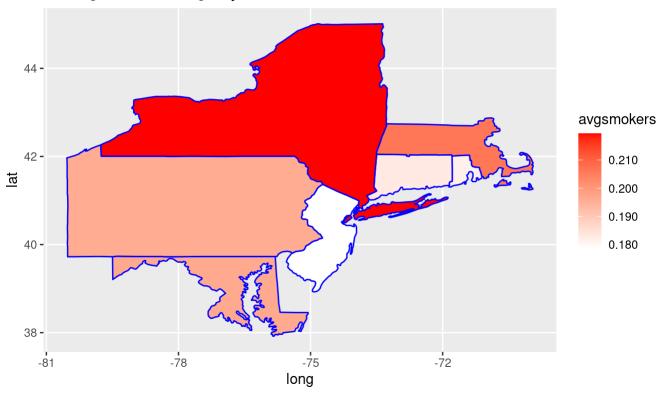
```
## Confusion Matrix and Statistics
##
##
             Reference
## Prediction
                 0
            0 1114 162
##
                23 217
##
            1
##
                  Accuracy: 0.878
##
                    95% CI: (0.8604, 0.894)
##
       No Information Rate: 0.75
##
##
       P-Value [Acc > NIR] : < 2.2e-16
##
                     Kappa : 0.6293
##
##
##
   Mcnemar's Test P-Value : < 2.2e-16
##
               Sensitivity: 0.9798
##
##
               Specificity: 0.5726
            Pos Pred Value : 0.8730
##
            Neg Pred Value : 0.9042
##
##
                Prevalence : 0.7500
##
            Detection Rate: 0.7348
      Detection Prevalence : 0.8417
##
##
         Balanced Accuracy : 0.7762
##
          'Positive' Class : 0
##
##
```

```
# Linear modeL
trainSetS$expensive<-as.numeric(trainSetS$expensive)
testSetS$expensive<-as.numeric(testSetS$expensive)
lmOut <- lm(expensive~age+bmi+children+smoker+hypertension+exercise+yearly_physical,data=trainSetS)
summary(lmOut)</pre>
```

```
##
## Call:
## lm(formula = expensive ~ age + bmi + children + smoker + hypertension +
##
      exercise + yearly physical, data = trainSetS)
##
## Residuals:
##
       Min
                1Q
                    Median
                                 3Q
                                        Max
## -0.95783 -0.20712 -0.05892 0.12967 1.14956
##
## Coefficients:
                    Estimate Std. Error t value Pr(>|t|)
##
                    0.2968854   0.0258540   11.483   < 2e-16 ***
## (Intercept)
                    0.0074299 0.0003013 24.658 < 2e-16 ***
## age
## bmi
                    ## children
                                       3.015 0.00258 **
                    0.0105171 0.0034877
## smokeryes
                    0.5936228  0.0106632  55.670  < 2e-16 ***
## hypertension
                    ## exerciseNot-Active 0.1667487 0.0097815 17.047 < 2e-16 ***
## yearly physicalYes 0.0284944 0.0097478
                                       2.923 0.00348 **
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 0.3289 on 6058 degrees of freedom
## Multiple R-squared: 0.4238, Adjusted R-squared: 0.4231
## F-statistic: 636.5 on 7 and 6058 DF, p-value: < 2.2e-16
```

```
#Maps(Avg age based on Location)
MyData <- MyData %>% mutate( smoker = str_replace_all( string = smoker, pattern = "yes", "1"))
MyData <- MyData %>% mutate( smoker = str replace all( string = smoker, pattern = "no", "0"))
MyData$smoker <- as.numeric(MyData$smoker)</pre>
dfAgg <- MyData %>% group_by(location) %>% summarise(avgsmokers = mean(smoker))
dfAgg$state <- tolower(dfAgg$location)</pre>
us <- map data("state")</pre>
us$state <- us$region
mergedNew <- merge(dfAgg,us,on = "state")</pre>
mergedNew <- mergedNew[order(mergedNew$order),]</pre>
map <- ggplot(mergedNew) + geom_polygon(aes(x = long, y = lat, group = group,fill = avgsmokers),</pre>
color= "Blue" )
map + scale_fill_continuous(low = "white", high = "red", name = "avgsmokers", label = scales::co
mma) +
  coord map("albers", lat0 = 110, lat1 = 110) +
  labs(title = "Average smokers Age by State")
```

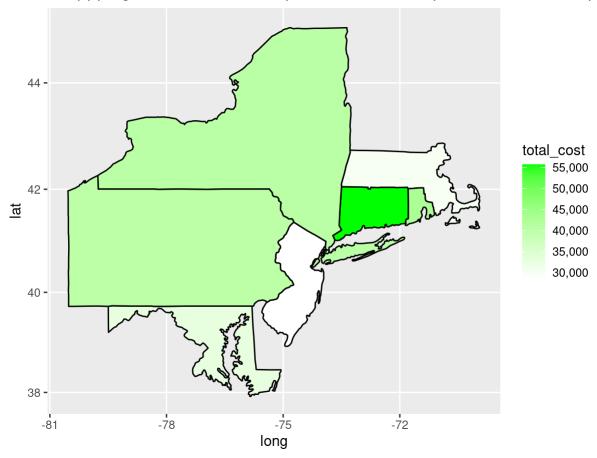
Average smokers Age by State



#the average number of smokers in the states, and based on the analysis NY has the avg smokers w ith a frequency of 0.210

```
#Maps(Cost based on Location)
dfAgg <- MyData %>% group_by(location) %>% summarise(total_cost = max(cost))
dfAgg$state <- tolower(dfAgg$location)
us <- map_data("state")
us$state <- us$region
mergedNew <- merge(dfAgg,us,on = "state")
mergedNew <- mergedNew[order(mergedNew$order),]
map <- ggplot(mergedNew) + geom_polygon(aes(x = long, y = lat, group = group,fill = total_cost),
color = "black")
map + scale_fill_continuous(low = "white", high = "green", name = "total_cost", label = scales::
comma) + coord_map() +ggtitle(" Mappping the maximum cost per state for the expensive and non ex
pensive people")</pre>
```

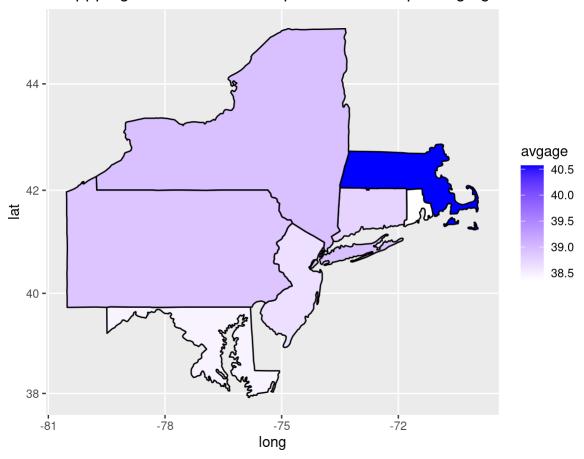
Mappping the maximum cost per state for the expensive and non expensiv



#this maps shows out where healthcare has been utilised max, that is the maximum cost per state for expensive and non expensive people. Based on the map, we can see that the Highest cost is in CT(Connecticut), with a frequency of 55,000\$

```
#Maps(Avg age based on Location)
dfAgg <- MyData %>% group_by(location) %>% summarise(avgage = mean(age))
dfAgg$state <- tolower(dfAgg$location)
us <- map_data("state")
us$state <- us$region
mergedNew <- merge(dfAgg,us,on = "state")
mergedNew <- mergedNew[order(mergedNew$order),]
map <- ggplot(mergedNew) + geom_polygon(aes(x = long, y = lat, group = group,fill = avgage), col
or = "black")
map + scale_fill_continuous(low = "white", high = "Blue", name = "avgage", label = scales::comm
a) + coord_map() +ggtitle(" Mappping the maximum cost per state for as per avg age")</pre>
```

Mappping the maximum cost per state for as per avg age



the average age of people using healthcare and their location, based on the map, the Avg age i s found in MA(Massachusetts) with a frequency of 40.5