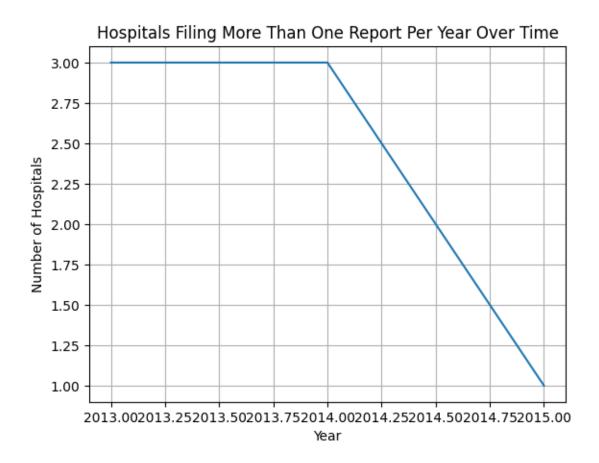
analysis

February 18, 2025

```
beds
   provider_number
                       fy_start
                                       fy_end date_processed date_created
                     1997-10-01
0
                                  1998-09-30
                                                   2002-08-01
                                                                 2001-06-27
                                                                              425.0
              10001
1
              10001
                     2010-10-01
                                  2011-09-30
                                                   2012-11-09
                                                                 2012-11-09
                                                                              408.0
2
              10001
                     2011-10-01
                                  2012-09-30
                                                   2013-11-15
                                                                 2013-11-15
                                                                              408.0
3
              10001
                     2012-10-01
                                  2013-09-30
                                                   2014-09-26
                                                                 2014-03-17
                                                                              408.0
              10001
4
                     2013-10-01
                                  2014-09-30
                                                   2015-03-13
                                                                 2015-03-11
                                                                              398.0
    tot_charges
                  tot_discounts
                                  tot_operating_exp
                                                        ip_charges
0
   3.048881e+08
                   1.489623e+08
                                         133530676.0
                                                        37559906.0
1
   1.208332e+09
                   9.577269e+08
                                         267292928.0
                                                       110484675.0
2
   1.263056e+09
                   1.008222e+09
                                         274011907.0
                                                       116037225.0
3
   1.305720e+09
                   1.043723e+09
                                         284850485.0
                                                        76820374.0
   1.451186e+09
                   1.160976e+09
                                         313050295.0
                                                       129439329.0
   secondary_mcare_payment
                                               street
                                                          city
                                                                 state
                                                                            zip
0
                    60111.0
                              1108 ROSS CLARK CIRCLE
                                                        DOTHAN
                                                                        36301-
                                                                    AL
1
                    35367.0
                                                   NaN
                                                           NaN
                                                                   NaN
                                                                            NaN
2
                    55155.0
                                                                            NaN
                                                   NaN
                                                           NaN
                                                                   NaN
3
                    58522.0
                                                   NaN
                                                           NaN
                                                                   NaN
                                                                            NaN
4
                    56453.0
                                                   NaN
                                                           NaN
                                                                   NaN
                                                                            NaN
            hvbp_payment hrrp_payment
                                          year
                                                         source
    county
   HOUSTON
                                          1998
                                                unique reports
0
                      NaN
                                    NaN
1
       NaN
                                          2011
                                                unique reports
                      NaN
                                    NaN
                                          2012
                                                unique reports
2
       NaN
                      NaN
                                    NaN
3
       NaN
                -101118.0
                                    NaN
                                          2013
                                                unique reports
4
       NaN
                  68134.0
                                          2014
                                                unique reports
                                    NaN
```

[5 rows x 26 columns]

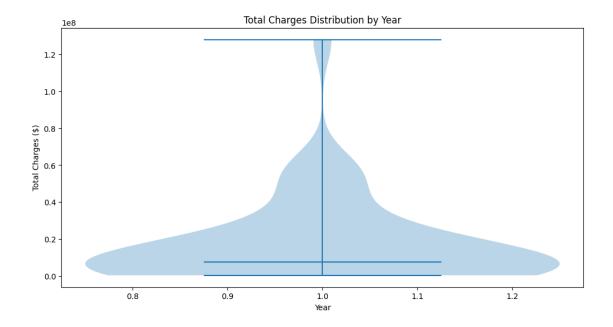
1. How many hospitals filed more than one report in the same year? Show your answer as a line graph of the number of hospitals over time.



2. After removing/combining multiple reports, how many unique hospital IDs (Medicare provider numbers) exist in the data?

Total Unique Hospitals: 8812

3. What is the distribution of total charges (tot_charges in the data) in each year? Show your results with a "violin" plot, with charges on the y-axis and years on the x-axis.



4. What is the distribution of estimated prices in each year? Again present your results with a violin plot, and recall our formula for estimating prices from class. Be sure to do something about outliers and/or negative prices in the data.

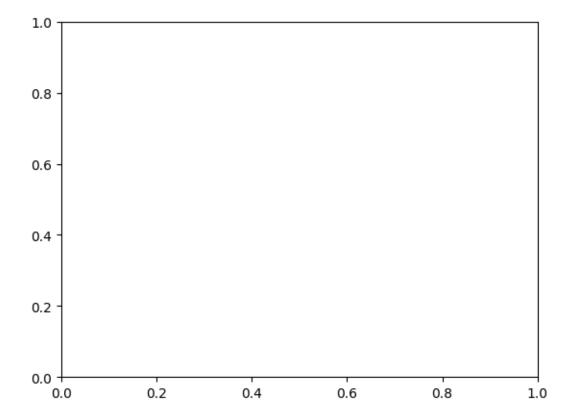
```
ValueError
                                                                                                                              Traceback (most recent call last)
Cell In[15], line 26
               24 # Plot
               25 plt.figure()
 ---> 26 plt.violinplot(estimated_price_df, showmedians=True)
               27 plt.xticks(range(1, len(ep_years) + 1), ep_years, rotation=45)
               28 plt.xlabel('Year')
File /Library/Frameworks/Python.framework/Versions/3.11/lib/python3.11/
    osite-packages/matplotlib/pyplot.py:2981, in violinplot(dataset, positions, ositions, ositions,
    evert, widths, showmeans, showextrema, showmedians, quantiles, points,
    ⇔bw_method, data)
         2976 @_copy_docstring_and_deprecators(Axes.violinplot)
         2977 def violinplot(
         2978
                                               dataset, positions=None, vert=True, widths=0.5,
         2979
                                                showmeans=False, showextrema=True, showmedians=False,
         2980
                                                quantiles=None, points=100, bw_method=None, *, data=None):
                                    return gca().violinplot(
-> 2981
         2982
                                                dataset, positions=positions, vert=vert, widths=widths,
         2983
                                                showmeans=showmeans, showextrema=showextrema,
         2984
                                                showmedians=showmedians, quantiles=quantiles, points=points,
         2985
                                                bw_method=bw_method,
                                                **({"data": data} if data is not None else {}))
         2986
```

```
File /Library/Frameworks/Python.framework/Versions/3.11/lib/python3.11/
 site-packages/matplotlib/_init__.py:1433, in _preprocess_data.<locals>.
 ⇔inner(ax, data, *args, **kwargs)
   1430 Ofunctools.wraps(func)
   1431 def inner(ax, *args, data=None, **kwargs):
             if data is None:
   1432
                 return func(ax, *map(sanitize_sequence, args), **kwargs)
-> 1433
            bound = new_sig.bind(ax, *args, **kwargs)
   1435
   1436
             auto_label = (bound.arguments.get(label_namer)
   1437
                           or bound.kwargs.get(label_namer))
File /Library/Frameworks/Python.framework/Versions/3.11/lib/python3.11/
 ⇒site-packages/matplotlib/axes/_axes.py:8043, in Axes.violinplot(self, dataset positions, vert, widths, showmeans, showextrema, showmedians, quantiles,
 ⇔points, bw method)
   8040
            kde = mlab.GaussianKDE(X, bw_method)
            return kde.evaluate(coords)
-> 8043 vpstats = cbook violin_stats(dataset, _kde_method, points=points,
   8044
                                       quantiles=quantiles)
   8045 return self.violin(vpstats, positions=positions, vert=vert,
                             widths=widths, showmeans=showmeans,
   8046
   8047
                             showextrema=showextrema, showmedians=showmedians)
File /Library/Frameworks/Python.framework/Versions/3.11/lib/python3.11/
 site-packages/matplotlib/cbook/_init_.py:1523, in violin_stats(X, method,_
 ⇔points, quantiles)
   1520 stats = {}
   1522 # Calculate basic stats for the distribution
\rightarrow 1523 min_val = np.min(x)
   1524 \text{ max\_val} = \text{np.max(x)}
   1525 quantile val = np.percentile(x, 100 * q)
File <__array_function__ internals>:200, in amin(*args, **kwargs)
File /Library/Frameworks/Python.framework/Versions/3.11/lib/python3.11/
 site-packages/numpy/core/fromnumeric.py:2946, in amin(a, axis, out, keepdims,
   2829 @array_function_dispatch(_amin_dispatcher)
   2830 def amin(a, axis=None, out=None, keepdims=np._NoValue, initial=np.
 → NoValue,
   2831
                  where=np. NoValue):
   2832
   2833
            Return the minimum of an array or minimum along an axis.
   2834
   (...)
   2944
            6
   2945
             11 11 11
-> 2946
            return wrapreduction(a, np.minimum, 'min', axis, None, out,
```

```
keepdims=keepdims, initial=initial, where=where)

File /Library/Frameworks/Python.framework/Versions/3.11/lib/python3.11/
site-packages/numpy/core/fromnumeric.py:86, in _wrapreduction(obj, ufunc, umethod, axis, dtype, out, **kwargs)
83 else:
84 return reduction(axis=axis, out=out, **passkwargs)
---> 86 return ufunc.reduce(obj, axis, dtype, out, **passkwargs)

ValueError: zero-size array to reduction operation minimum which has no identity
```



5. Calculate the average price among penalized versus non-penalized hospitals.

6. Split hospitals into quartiles based on bed size. To do this, create 4 new indicator variables,

where each variable is set to 1 if the hospital's bed size falls into the relevant quartile. Provide a table of the average price among treated/control groups for each quartile.

7. Find the average treatment effect using each of the following estimators, and present your results in a single table:

Nearest neighbor matching (1-to-1) with inverse variance distance based on quartiles of bed size Nearest neighbor matching (1-to-1) with Mahalanobis distance based on quartiles of bed size Inverse propensity weighting, where the propensity scores are based on quartiles of bed size Simple linear regression, adjusting for quartiles of bed size using dummy variables and appropriate interactions as discussed in class

- 8. With these different treatment effect estimators, are the results similar, identical, very different?
- 9. Do you think you've estimated a causal effect of the penalty? Why or why not? (just a couple of sentences)
- 10. Briefly describe your experience working with these data (just a few sentences). Tell me one thing you learned and one thing that really aggravated or surprised you.

```
Cell In[19], line 2
jupyter nbconvert --to pdf --no-input --output homework2.pdf "analysis.ipyn"

SyntaxError: invalid syntax
```