**Medicare Spending Per Beneficiary/Patient**

The healthcare dataset which I have selected for EDA is on ‘Medicare spending per beneficiary/patient’ in the United States. It is basically a quality measure, calculated and published by CMS (Centers for Medicare & Medicaid Services)- a federal agency within the United States Department of Health and Human Services that works in partnership with the state government. It also administers different healthcare programs of the nation.

So, what is the meaning of the MSPB- Medicare Spending Per Beneficiary?

* It is a measure that shows whether Medicare spends more, less, or about the same for an episode of patient care at a specific hospital compared to all hospitals nationally
* It is the ratio of the amount Medicare spent per patient for an episode of patient care at the hospital divided by the median amount Medicare spent across all hospitals nationally

What does the ratio indicate?

* MSPB ratio less than 1: Hospital spends less than the average amount across all inpatient hospitals nationally
* MSPB ratio equal to 1: Hospital spends about the same as the average amount across all inpatient hospitals nationally
* MSPB ratio greater than 1: Hospital spends greater than the average amount across all inpatient hospitals nationally

**Advantages of MSPB measure:**

* To evaluate the hospital's efficiency relative to the efficiency of the national median hospital
* To reward hospitals that can provide efficient care at a lower cost
* To understand and evaluate the states based on the Medicare spending
* To encourage hospitals to provide Medicare services at a lower cost.