**Exercise # 3 Submission Folder**

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| **Exercise # 3:**  The dataset provides Herfindahl–Hirschman Index, and Herfindahl index categories, please use the herf\_cat variable and answer the following questions  Note: “The Herfindahl–Hirschman Index is a commonly accepted measure of market concentration used by antitrust enforcement agencies and scholars in the field. The HHI is calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers” (NASI, 2015; pp: 14-16).  Read more from here:  [Addressing Pricing Power in Health Care Markets](https://www.urban.org/sites/default/files/publication/50116/2000212-Addressing-Pricing-Power-in-Health-Care-Markets.pdf)  For this exercise, you do not need to compute the HHI, but if you have any questions, please do not hesitate to ask me, but try to learn more about this you will need that to report your findings.  Use the dataset from week1 exercise and then answer the following questions:   1. Compare the following information between hospitals located in high, moderate and low competitive markets? (table 1) 2. What are the main significant differences between hospitals in different markets? (use ANOVA test) 3. Use the density curves and compare hospitals cost and revenues between three markets. 4. What is the impact of being in a high-competitive market on hospital revenues and cost? Do you think being in a high-competitive market has a positive impact on net hospital benefits?  What about the number of Medicare and Medicaid discharge? Do you think hospitals in a higher completive market more likely to accept more Medicare and Medicaid patients? What is the impact of other variables? Please discuss your findings in 1-2 paragraphs.   (Note: to answer to the last question, please compute the ratio-Medicare-discharge and ratio-Medicaid-discharge first and then run 2 t-tests) high vs. moderate and high vs. low competitive market), please support your findings with box-plot). | |
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