IntCount: a Stata command for estimating count data models from interval data

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Non-technical summary

Survey questions are often designed to ask about a count of events – for example, at wave 7 the *Understanding Society* questionnaire asks about the number of times in the past year that the respondent has consulted a GP. Such questions provide a valuable source of evidence on the functioning of the healthcare system, and special statistical methods (known as count data regression) have been developed to analyse that type of data.

However, to use those methods it is usually necessary for respondents to give an exact figure for the number of consultations – a difficult task that requires recall over a 12-month period. To ease the burden on respondents, questions are often designed in a way that asks the respondent to choose one of a number of ranges – for example the *Understanding Society* question asks whether the number of consultations was 0, or 1-2, or 3-5, or 6-10, or more than 10. Standard software for count data regression methods cannot be used to analyse data in that form, so there is a need for more flexible software that can carry out the appropriate analysis.

This paper describes newly-developed software, called `intcount`, implemented as part of the widely-used statistical software package Stata. It can be used to analyse count data in the form of either exact figures or ranges, and it is designed to be flexible in the way that such data are analysed. It also offers options for prediction or interpolation of the underlying exact count variable.

In due course, the software will be made available (in beta test form) to any academic researcher, without charge, subject to the following conditions:

1. Except where elements of existing Stata code have been used, copyright is the property of the author, Stephen Pudney.
2. The software is made available "as is", with no warranty of any form
3. The software may be freely shared with others collaborating directly on your research project, but should not be shared more widely – anyone wishing to acquire a copy should be referred to the author, to ensure that the latest version is made available.
4. Any software errors or other problems should be notified to the author immediately.
5. Any published paper making use of the software should contain a reference to this working paper (or any subsequently published version of it).

If you wish to use `intcount` when it becomes available for release, please contact the author at steve.pudney@sheffield.ac.uk.

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Abstract. This article describes a user-written Stata command, `intcount`, for estimation of a number of regression models for count data which are observed in interval form. The models available are Poisson, negative binomial and binomial, and they can be estimated in standard or zero-inflated form. Use of the command is illustrated with an application to analysis of data from the UK *Understanding Society* survey on the demand for healthcare services.

Keywords: count data, interval data, zero-inflated, interpolation, Understanding Society

1 Introduction

Many survey variables are naturally non-negative integer-valued counts, for example the number of times an action or event has occurred within a given observation period. Count data regression models based on distributions such as the Poisson and negative binomial are widely used for the analysis of these variables.

But complications arise when survey questions are not designed to reveal the count exactly. Survey designers sometimes argue that questions may yield more reliable (albeit less detailed) data if they ask the respondent to place the count within one of a number of pre-specified intervals, rather than to report a specific figure.

Interval observation of count data causes difficulty in the estimation of count data regressions, since most available software requires the count to be observed exactly. There is therefore a need for estimation procedures which can take account of coarse interval observation. Another aspect of the problem is that many types of descriptive or policy analysis require exact rather than interval counts, so some form of imputation or interpolation is required.

This article describes a new Stata command for interval estimation of a number of count data models, and reports results from an illustrative application. Section 2 sets out the estimation approach and the range of available models; section 3 details the syntax of the estimation command and the linked `predict` command that can be used for various types of post-estimation imputation. Section 4 presents an application to healthcare data from the UK *Understanding Society* survey and section 5 concludes.

2 Interval-observed count data models

2.1 Basic setup

Let $Y_i \geq 0$ be the ith observation on a dependent variable which takes non-negative integer values. Y_i may be bounded or unbounded. However, our observations are not on Y_i itself but rather an interval within which Y_i lies. Consequently, we have two observed dependent variables, $[L_i, U_i]$ with the property that:

$$L_i \leq Y_i \leq U_i \tag{1}$$

The numerical values of the interval bounds $[L_i, U_i]$ vary across observations but they are assumed to be observed and strictly exogenous. The two bounds may be equal for some observations where Y_i is fully observed and, for unbounded distributions like the Poisson and negative binomial, the upper bound U_i may be infinite for some observations.

A set of explanatory covariates appear in a vector $\boldsymbol{X}_i$, and we assume a known parametric form for the discrete conditional probability function $f(.)$ and corresponding distribution function $F(.)$, defined for any non-negative integer y:

$$
\begin{aligned}
Pr(Y_i = y | \boldsymbol{X}_i) &= f(y | \boldsymbol{X}_i) & (2) \\
Pr(Y_i \leq y | \boldsymbol{X}_i) &= F(y | \boldsymbol{X}_i) & (3)
\end{aligned}
$$

The conditional probability of observing the event $L_i \leq Y_i \leq U_i$ is:

$$
\begin{aligned}
Pr(L_i \leq Y_i \leq U_i | \boldsymbol{X}_i) &= F(U_i | \boldsymbol{X}_i) - F(L_i - 1 | \boldsymbol{X}_i) \\
&= \sum_{y=L_i}^{U_i} f(y | \boldsymbol{X}_i) \tag{4}
\end{aligned}
$$

(where $F(L_i - 1 | \boldsymbol{X}_i)$ is understood to be zero for $L_i = 0$). The probabilities (4) are used to construct a log-likelihood function which is maximized numerically.

2.2 Alternative base distributions

The model is completed by a specifying a parameterized functional form for the distribution function $F(.|\boldsymbol{X}_i)$. The command offers nine possibilities, formed from three alternative base models and three options for zero-inflation. Leaving aside the possibility of zero-inflation, the available models for $F(.|\boldsymbol{X}_i)$ are as follows:

Poisson:

$$f(y | \boldsymbol{X}_i) = e^{-\lambda_i} \lambda_i^y / y! \tag{5}$$

where λ_i is the conditional mean function $E(Y_i | \boldsymbol{X}_i)$, parameterised as $e^{\boldsymbol{X}_i \boldsymbol{\beta}}$. The conditional mean and variance of the count variable are both equal to λ_i.

Binomial:

$$f(y | \boldsymbol{X}_i) = \left(\begin{array}{c} M_i \\ y \end{array} \right) p_i^y (1 - p_i)^{M_i - y} \tag{6}$$

where M_i is the known maximum possible value, which may vary exogenously across observations, and p_i is the binomial probability, parameterised as $p_i = \left[1 - e^{-\boldsymbol{X}_i \boldsymbol{\beta}}\right]^{-1}$. The conditional mean function is $E(Y_i | \boldsymbol{X}_i) = M_i p_i$. This specification may be appropriate when there is a natural upper limit to survey responses (*e.g.* to the question "on how many days last month did you use cannabis?").

Negative binomial: is derivable as the following Poisson-gamma mixture:

$$y \mid \nu \sim \text{Poisson}\left(\lambda_i \nu\right) ; \qquad \nu \sim \text{gamma}\left(\frac{1}{\alpha}, \alpha\right) \tag{7}$$

where $\lambda_i = e^{\boldsymbol{X}_i \boldsymbol{\beta}}, \alpha > 0$. This gives a distribution for y with mean λ_i and variance $1 + \alpha \lambda_i$. Note that, in the terminology of Cameron and Trivedi (2013)), this is the NB2 parameterization of the negative binomial regression model, and is consistent with the specification implemented in the Stata `zinb` command. The ML estimation procedure treats $\ln \alpha$ as an unrestricted constant parameter.

2.3 Zero-inflation

In some count data applications, standard forms like the binomial, Poisson and negative binomial are found to understate the frequency of zero counts. One way of dealing with this is to use a double hurdle or mixture process, where some individuals have a degenerate zero count with probability 1, while others have a count drawn from a standard distribution such as the Poisson.

Let the conditional probability of a degenerate zero be given by the following linear index model:

$$Pr(\text{degenerate } 0 | \boldsymbol{X}_i) = \pi(\boldsymbol{X}_{i1} \boldsymbol{\gamma}) \tag{8}$$

where $\boldsymbol{X}_{i1}$ is a subvector of $\boldsymbol{X}_i$. The distribution of Y among the non-degenerate population is $g(y | \boldsymbol{X}_{i2} \boldsymbol{\beta})$, where $\boldsymbol{X}_{i2}$ is another subvector of $\boldsymbol{X}_i$. Then the mixture distribution of Y is:

$$f(y | \boldsymbol{X}_i) = \begin{cases} \pi(\boldsymbol{X}_{i1} \boldsymbol{\gamma}) + (1 - \pi(\boldsymbol{X}_{i1} \boldsymbol{\gamma})) g(0 | \boldsymbol{X}_{i2} \boldsymbol{\beta}) & \text{if } y = 0 \\ \\ (1 - \pi(\boldsymbol{X}_{i1} \boldsymbol{\gamma})) g(y | \boldsymbol{X}_{i2} \boldsymbol{\beta}) & \text{if } y > 0 \end{cases} \tag{9}$$

The probability of the observed interval $[L_i, U_i]$ is again given by (4).

The `intcount` command offers three options for zero-inflation:

standard model: $\quad \pi(\boldsymbol{X}_{i1} \boldsymbol{\gamma}) = 0$

logit: $\qquad\qquad \pi(\boldsymbol{X}_{i1} \boldsymbol{\gamma}) = \left[1 + exp(-\boldsymbol{X}_{i1} \boldsymbol{\gamma})\right]^{-1}$

probit: $\qquad\quad\; \pi(\boldsymbol{X}_{i1} \boldsymbol{\gamma}) = \Phi(\boldsymbol{X}_{i1} \boldsymbol{\gamma})$

In practice, estimates of the logit and probit variants are usually almost identical apart from scaling of the $\boldsymbol{\gamma}$ coefficients, which are larger by a factor of approximately $\sqrt{\pi^2/3}$.

3 Command syntax

3.1 intcount

intcount *depvar1 depvar2 [indepvars]* $\big[$ *if* $\big]$ $\big[$ *in* $\big]$ $\big[$ *weight* $\big]$,
$\big[$ <u>poi</u>sson | <u>bin</u>omial(# | *varname*) | <u>neg</u>bin
<u>infl</u>ate(*varlist* | _cons[,offset(*varname*)]) <u>noc</u>onst <u>prob</u>it [*other options*] $\big]$

Description

intcount is a user-written program which allows the estimation of a range of count
data models in cases where some or all of the observations on the dependent variable
are intervals containing the count, rather than the count itself. The models are based
on Poisson, Binomial or Negative Binomial distributions, possibly with zero-inflation.
It thus covers some of the same ground as existing Stata commands poisson, nbreg,
binreg, zip and zinbreg, but allowing for interval-form data.

Output

   intcount returns maximum likelihood estimates of the parameters of a count data
model, allowing for the possibility that some or all of the observations on the dependent
variable have the form of an interval containing the count, rather than the count itself.

Main options

<u>noc</u>onst is used to suppress the intercept term in the linear index $\boldsymbol{X}_i\boldsymbol{\beta}$

<u>poi</u>sson specifies the Poisson base model defined by equation (5)..

<u>bin</u>omial(# — *varname*) specifies the binomial model (6). If the count limit M_i is
    constant across observations, # gives that fixed positive number; otherwise *varname*
    specifies a variable containing M_i.

<u>neg</u>bin specifies the negative binomial model.

At most one of the three options <u>poi</u>sson, <u>bin</u>omial(*varname*) and <u>neg</u>bin may appear.
If all three are omitted, poisson is used as the default.

inflate(*varlist*[, noconst]) specifies the variables used as covariates in the zero-
    inflation model (if any). An intercept is included in the zero-inflation model unless
    the noconst modifier is used. If inflate is omitted, zero-inflation is not used and
    a standard count data specification is estimated. If it appears as inflate(_ cons),
    the zero-inflation probability is estimated as a constant.

probit specifies the zero-inflation model to be of probit form. If omitted, the default
    is logit. The probit option may only be used if inflate also appears.

Other options

offset(*varname*) includes *varname* in the model with coefficient constrained to 1

`exposure(`*varname*`)` includes ln(*varname*) in the model with coefficient fixed at 1

Standard options for controlling the ML optimization procedure can be included, most usefully:

`from(`*matrixname*`)`, specifying the name of a single-row matrix containing user-supplied initial parameter values for the optimization. The column names should take the form `model:`*variablename* and `model:_cons` for the coefficients and intercept in the linear index $X_i\beta$; `inflate:`*variablename* and `inflate:_cons` for those of the zero-inflation mechanism. The column name for the $ln(\alpha)$ parameter of the negative binomial model should be given as `/:lnalpha` if running with Stata version 15, or `lnalpha:_cons` for version 14 or earlier. [1]The vector may contain irrelevant elements, since the vector is passed onto the ML optimizer with the `, skip` modifier.

`difficult` may very occasionally help overcome convergence difficulties

3.2 predict

`predict` *outputvarname* [*if*] [*in*] , [*predicttype*]

Description

Following `intcount`, the predict command can be used to construct several measures conditional on covariate values, including: the expected count; the probability of the count falling in a specified interval; and the expected value of the count, conditional on it lying in a specified interval. It is also possible to generate a random draw the interval-specific conditional count distribution. These predict options are particularly useful for interpolation purposes. The specified type of prediction is returned in *outputvarname* as a double precision variable.

Options and output

`pr(`#|*var* #|*var*`)` is the predicted probability (conditional on covariate values) that the count lies in the interval defined by lower and upper limits that may each be a fixed number or a variable.

`ce(`#|*var* #|*var*`)` is the expectation of the count conditional on the covariates and the event that it lies in the interval defined by the two limits which may be variable or constant.

`mc(`#|*var* #|*var*`)` generates a single random draw from the distribution of y conditional on the event that it lies in the interval defined by the two specified limits. This option is useful for Monte Carlo simulation or imputation applications where distributional characteristics beyond the conditional mean are required.

`n` gives a prediction of the count conditional only on the covariates. If no *predicttype*

---

1. This is for consistency with `nbreg` and `zinb` – the column labelling of the $ln(\alpha)$ parameter in the return vector `e(b)` from the `nbreg` and `zinb` changed between Stata versions 14 and 15. If a starting value for $ln(\alpha)$ is supplied with the wrong labelling, it will be ignored by `intcount`.

option is declared, this is the default.

nooffset By default, any offset or exposure adjustment used for estimation will also be incorporated in the predictions of type pr, ce or n; the option nooffset will cause offset or exposure adjustments to be ignored.

4   An application to healthcare demand

We apply the intcount command to data from wave 7 of the *Understanding Society* UK panel on the use of health care services. The questions distinguish three types of service: consultations with a general practitioner (GP), attendance at a hospital out-patient (OP) clinic, and hospital in-patient (IP) stays.[2] The first two dependent variables come from the following survey questions:

"In the last 12 months, approximately how many times have you talked to, or visited a GP or family doctor about your own health? Please do not include any visits to a hospital."

"And in the last 12 months, approximately how many times have you attended a hospital or clinic as an out-patient or day patient?"

Responses to these questions are reported as one of five intervals: 0, [1-2], [3-5], [6-10], 11 or more. Figure 1 shows the two empirical distributions.
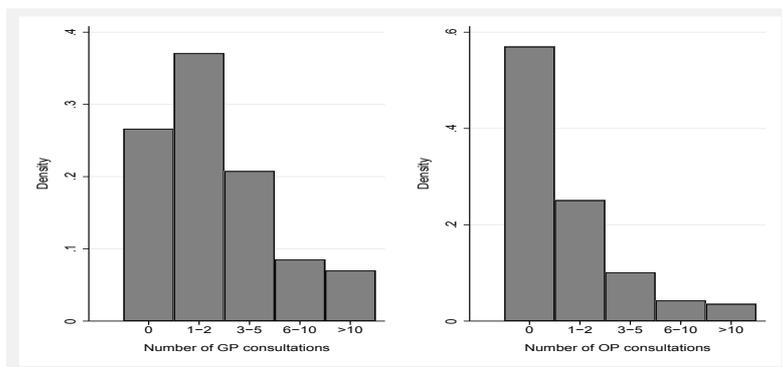

Figure 1: Distributions of the number of GP and OP consultations in the preceding 12 months (UKHLS wave 7; $n = 6,822$)

The third question is:

"In the last 12 months, in all, how many days have you spent in a hospital or clinic as an in-patient?" Answers are given as "exact" integers.

---

2. The data and a more comprehensive application are discussed in detail in Davillas and Pudney (2018).

The distribution of responses, shown in the first panel of Figure 2 (here plotted over 0-10 days), is typical of count data for rare events. There is a very large mode at zero and a highly skewed and dispersed distribution of positive values – the sample maximum is 182 days in this case. This sort of distribution can pose challenging modelling and computational problems. The second panel of Figure 2 shows the distribution after we artificially group the responses to conform with the reporting intervals used in the GP and OP questions. Note that *ex post* grouping should not be assumed to coincide automatically with the answer that would have been provided by the respondent given an interval response scale – respondent behaviour may be influenced by question design.
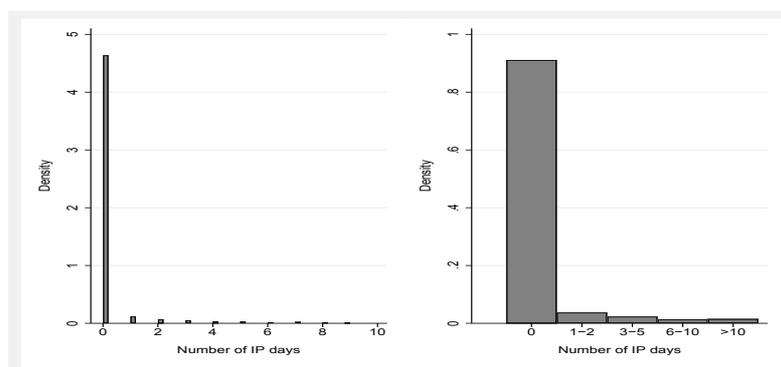

Figure 2: Distribution of the number of days as hospital inpatient in the preceding 12 months, as observed and after grouping (UKHLS wave 7; $n = 6,824$)

4.1   Hospital in-patient days: the effect of grouping

First consider the choice of distributional form, using the original exact data. The `intcount` command can accommodate exact count data by setting the upper and lower limit variables equal to the exact count. The resulting estimates reproduce exactly those produced by `poisson` or `zip` for the Poisson model, `binreg` for the binomial model[3], and `nbreg` or `zinb` for the negative binomial model. The covariates used in these models are simple demographics: a cubic in age `a` (measured in decades from an origin of 50 years), membership of any ethnic minority `nonw`, an indicator for the absence of any educational qualification `noed` and another for degree-level education `degree`. The following code produced alternative gender-specific models, whose sample fit is summarised in Table 1 using the Akaike (AIC) and Bayesian (BIC) information criteria.

```
. global Xvars "a a2 a3 nonw noed degree"
. //      No zero-inflation
. forvalues i=0/1 {
  2.    intcount IP IP $Xvars if male== `i´, poisson vce(robust)
  3.    estat ic
```

---

3. There appears to be no available Stata command for estimating the zero-inflated binomial model, and `intcount` now fills that gap.

```
    .       intcount IP IP $Xvars if male== `i´, binomial(365) vce(robust)
    4.   estat ic
    .       intcount IP IP $Xvars if male== `i´, negbin vce(robust)
    5.   estat ic
    6. }
. //      With zero-inflation
. forvalues i=0/1 {
    2.   intcount IP IP $Xvars if male== `i´, inflate($Xvars)  poisson vce(robust)
    3.   estat ic
    .       intcount IP IP $Xvars if male== `i´, inflate($Xvars) binomial(365) vce(robust)
    4.   estat ic
    .       intcount IP IP $Xvars if male== `i´, inflate($Xvars) negbin vce(robust)
    5.   estat ic
    6. }
```

It is clear from Table 1 that the negative binomial model is far superior in terms of sample fit to the Poisson and binomial models, and also that zero-inflation improves the fit substantially.

Table 1: Akaike and Bayesian information criteria for zero-inflated versions of Poisson, binomial and negative binomial count data models, estimated separately by gender from exact data on days spent in hospital.

Distributional	Women		Men	
form	AIC	BIC	AIC	BIC
Without zero-inflation				
Poisson	91295	91350	71859	71913
Binomial	93874	93929	73634	73687
Negative binomial	21536	21599	13586	13647
With zero-inflation				
Poisson	43165	43274	30237	30343
Binomial	45494	45604	31743	31850
Negative binomial	21456	21573	13443	13557

We now investigate the effect of data grouping by re-estimating the model using the artificially grouped form of the variable whose distribution is shown in Figure 2. The code is as follows:

```
. forvalues i=0/1 {
    2.   intcount IP IP $Xvars1 if male== `i´, inflate($Xvars1) negbin vce(robust)
    3.   estimates store exact`i´
    4.   intcount lo_IP hi_IP $Xvars1 if male== `i´, inflate($Xvars1) negbin vce(robust)
    5.   estimates store grouped`i´
    6. }
. estout exact0 grouped0 exact1 grouped1, cells(b(star fmt(%7.3f)) ///
>   se(par)) starlevels(* .1 ** .05 *** .01) style(tex)
```

Table 2 compares the parameter estimates. There are substantial parameter differences, particularly for the age and education effects in the female sample.

Table 2: Estimates of zero-inflated negative binomial model estimated from exact and artificially grouped data.

Parameter	Women		Men	
(std. err.)	Exact	Grouped	Exact	Grouped
Base model parameters				
age§	0.042	0.102*	0.078	0.177**
	(0.117)	(0.061)	(0.096)	(0.076)
age^2	0.057**	0.030**	0.024	0.006
	(0.027)	(0.015)	(0.028)	(0.020)
age^3	-0.001	0.006	0.005	0.001
	(0.014)	(0.008)	(0.011)	(0.008)
Non-white	0.155	0.067	-0.350	-0.260
	(0.192)	(0.101)	(0.232)	(0.180)
No education	0.092	0.027	0.203	0.114
	(0.173)	(0.112)	(0.209)	(0.173)
Degree	0.018	-0.229**	-0.753***	-0.660***
	(0.204)	(0.107)	(0.223)	(0.171)
Intercept	-0.426**	0.769***	0.713**	1.219***
	(0.206)	(0.186)	(0.299)	(0.273)
lnalpha	3.072***	1.267***	2.856***	1.601***
	(0.114)	(0.276)	(0.146)	(0.355)
Zero-inflation parameters				
age§	0.899***	0.258***	-0.320***	-0.216***
	(0.169)	(0.054)	(0.094)	(0.051)
age^2	-0.539	-0.022**	-0.094***	-0.041***
	(0.627)	(0.010)	(0.031)	(0.013)
age^3	-0.263	-0.027***	-0.016	-0.003
	(0.170)	(0.007)	(0.010)	(0.006)
Non-white	-0.056	-0.052	-0.120	-0.015
	(0.276)	(0.079)	(0.166)	(0.110)
No education	-0.710*	-0.202**	-0.132	-0.106
	(0.393)	(0.086)	(0.171)	(0.107)
Degree	0.337	-0.011	0.034	0.051
	(0.279)	(0.081)	(0.178)	(0.114)
Intercept	-0.341	1.494***	0.695***	1.735***
	(0.377)	(0.214)	(0.248)	(0.272)

§ Age measured in decades from an origin of 50.

Statistical significance: * = 10%, ** = 5%, *** = 1%

Figure 3 shows the implications of parameter differences for the estimated age profiles by plotting the probability of hospitalization $Pr(y > 0|age)$ against *age* over the range 16-85, with other covariates set to modal zero values. The code that produces these

plots is as follows:

```
. preserve
. replace age=.
(42,210 real changes made, 42,210 to missing)
. replace age=_n+15 if _n<=70
(70 real changes made)
. replace a=(age-50)/10
(42,210 real changes made, 42,140 to missing)
. replace a2=a^2
(42,209 real changes made, 42,140 to missing)
. replace a3=a*a2
(42,210 real changes made, 42,140 to missing)
. replace nonw=0
(30,402 real changes made)
. replace noed=0
(14,694 real changes made)
. replace degree=0
(18,067 real changes made)
. gen ll=0 if age<.
(42,147 missing values generated)
. gen uu=0 if age<.
(42,147 missing values generated)
. forvalues i=0/1 {
  2.    foreach d in exact grouped {
  3.       estimates restore `d'`i'
  4.       predict p`d'`i' if age<=85,pr(1 .)
  5.    }
  6. }
(results exact0 are active now)
(results grouped0 are active now)
(results exact1 are active now)
(results grouped1 are active now)
. sort age
. twoway line pexact0 pgrouped0 age if age<=85 , lpattern(solid dash) ///
>   graphregion(fcolor(white) ilcolor(white) icolor(white) lcolor(white) )  ///
>   lcolor(black) name(p0, replace) xlabel(20(10)80) ylabel(0(0.05)0.2) ///
>   xscale(titlegap(3)) yscale(titlegap(3)) xtitle("Woman´s age") ///
>   legend(col(1) pos(5) ring(0) label(1 "exact") ///
>   label(2 "grouped")) ytitle("Pr(hospitalization)")
. twoway line pexact0 pgrouped0 age if age<=85 , lpattern(solid dash) ///
>   graphregion(fcolor(white) ilcolor(white) icolor(white) lcolor(white) )  ///
>   lcolor(black) name(p1, replace) xlabel(20(10)80) ylabel(0(0.05)0.2) ///
>   xscale(titlegap(3)) yscale(titlegap(3)) xtitle("Man´s age") ///
>   legend(col(1) pos(5) ring(0)label(1 "exact") ///
>   label(2 "grouped")) ytitle("Pr(hospitalization)")
. graph combine p0 p1
```

The estimated age profiles remain broadly similar after grouping but they display more variability for the estimates based on exact data, so coarsening the counts to interval form has a mild smoothing effect in this example.
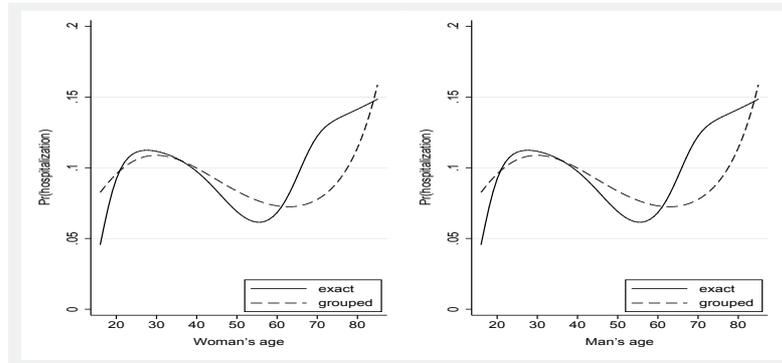
Figure 3: Predicted age profile of zero count probability by age for ethnic majority woman and man with mid-level education

It is also striking in this application that grouping has a perverse effect on the standard errors. It is clear theoretically that recoding count data to coarser interval form must reduce statistical precision of the parameter estimator for a well-specified count data model (this is easily confirmed empirically using Monte Carlo simulation by applying `intcount` to simulated counts in exact and grouped form). However, the anticipated loss of precision may not occur for computed standard errors when the count data model is misspecified. A poor model may do quite well in fitting the distribution of responses within broad intervals, but much worse in fitting the distribution of exact counts within those intervals. Parameter estimates may be (asymptotically) biased in different ways for grouped and exact data, and the computed confidence intervals (which are not statistically valid for misspecified models) need not be wider for the interval estimates. This is what we find in Table 2, where the interval estimates have robust standard errors that are always smaller, very much so in many cases.

4.2 Interpolated healthcare measures

The `intcount` command has been designed to be usable as a basis for interpolation of the underlying count from coarse interval data. We now turn attention to the GP and OP variables, again taking the negative binomial as our basic model, but considering both standard and zero-inflated (probit) variants. As covariates, we use dummy variables to allow for gender and ethnicity effects, a cubic in age, and a 4-level categorization of educational attainment. Table 3 gives results and also includes estimates of the logit variant for the OP data. Comparison of the fourth and fifth columns of Table 3 confirms that the choice between probit and logit specifications makes virtually no difference to the estimates, except for scaling of the zero-inflation coefficients (which are larger for the logit model by approximately $\sqrt{\pi^2/3} = 1.814$).

Table 3: Estimates of negative binomial models for counts of GP and hospital OP consultations, estimated from grouped data.

Parameter (std. err.)	GP consultations		Hospital OP consultations		
	no zero inflation	Probit inflation	no zero inflation	Probit inflation	Logit inflation
Base model parameters					
age§	0.094***	0.068***	0.168***	0.065***	0.064***
	(0.009)	(0.009)	(0.014)	(0.016)	(0.016)
age^2	0.001	0.001	0.006*	0.003	0.003
	(0.002)	(0.002)	(0.003)	(0.004)	(0.004)
age^3	0.001	0.002**	0.001	0.006***	0.007***
	(0.001)	(0.001)	(0.002)	(0.002)	(0.002)
Male	-0.368***	-0.280***	-0.321***	-0.137***	-0.139***
	(0.015)	(0.016)	(0.023)	(0.027)	(0.027)
Minority	-0.139***	-0.130***	0.046*	0.012	0.016
	(0.017)	(0.018)	(0.027)	(0.031)	(0.031)
GCSE	-0.148***	-0.147***	-0.052	-0.085**	-0.084**
	(0.021)	(0.021)	(0.033)	(0.035)	(0.035)
A-level	-0.268***	-0.271***	-0.183***	-0.159***	-0.158***
	(0.024)	(0.025)	(0.039)	(0.042)	(0.042)
Degree	-0.350***	-0.373***	-0.158***	-0.203***	-0.201***
	(0.020)	(0.021)	(0.032)	(0.035)	(0.034)
Intercept	1.525***	1.512***	0.616***	0.704***	0.702***
	(0.022)	(0.022)	(0.036)	(0.040)	(0.040)
$ln(\alpha)$	0.153***	0.085***	1.146***	0.973***	0.973***
	(0.012)	(0.014)	(0.013)	(0.021)	(0.021)
Zero-inflation parameters					
age§		-0.621***		-0.731***	-1.424***
		(0.108)		(0.130)	(0.261)
age^2		-0.220**		-0.350***	-0.694***
		(0.086)		(0.096)	(0.182)
age^3		-0.024		-0.051**	-0.102***
		(0.021)		(0.021)	(0.038)
Male		4.645		0.730***	1.291***
		(79.355)		(0.080)	(0.154)
Minority		0.163*		-0.107	-0.161
		(0.096)		(0.067)	(0.114)
GCSE		-0.045		-0.218**	-0.367**
		(0.106)		(0.091)	(0.156)
A-level		-0.131		-0.005	0.008
		(0.128)		(0.095)	(0.161)
Degree		-0.421***		-0.254***	-0.435***
		(0.133)		(0.091)	(0.154)
Intercept		-6.221		-1.397***	-2.470***
		(79.355)		(0.131)	(0.256)
AIC	94783	94639	75310	75054	75055
BIC	94867	94799	75394	75214	75215

§ Age measured in decades from an origin of 50. Statistical significance: * = 10%, ** = 5%, *** = 1%

We now compare two interpolation methods. If the observed interval is $[L_i, U_i]$, the conditional expectation predictor of the unobserved true count is $E(y|\boldsymbol{X}_i, L_i, U_i)$, and this is specified by the `ce` option of the `predict` command. The alternative is to generate a random draw from the conditional distribution $f(y|\boldsymbol{X}_i, L_i, U_i)$ using the `mc` option. The following code generates the interpolations and plots their distributions (for the example of the OP count):

```
. quietly intcount lo_OP hi_OP $Xvars, negbin inflate($Xvars) probit
. predict OP_ce if e(sample),ce(lo_OP hi_OP)
. predict OP_mc if e(sample),mc(lo_OP hi_OP)
. histogram OP_ce if OP_ce<=30,width(1) ///
>         graphregion(fcolor(white) ilcolor(white) icolor(white) lcolor(white) )  ///
>         name(OPce, replace) xlabel(0(5)30) ytitle("Density)") ///
>               xscale(titlegap(3) range(0 30)) yscale(titlegap(3)) ///
>               xtitle("Conditional mean count")
(bin=22, start=0, width=1)
. histogram OP_mc if OP_mc<=30,width(1) ///
> graphregion(fcolor(white) ilcolor(white) icolor(white) lcolor(white) )  ///
> name(OPmc, replace) xlabel(0(5)30) ytitle("Density)") ///
> xscale(titlegap(3) range(0 30)) yscale(titlegap(3)) xtitle("Conditional Monte Carlo count")
(bin=30, start=0, width=1)
. graph combine OPce OPmc
```

The distributions for the interpolated GP and OP counts are shown in Figures 4 and 5; the `ce` interpolator gives a much lumpier distribution than the `mc` interpolator, since it averages out random variation within intervals.
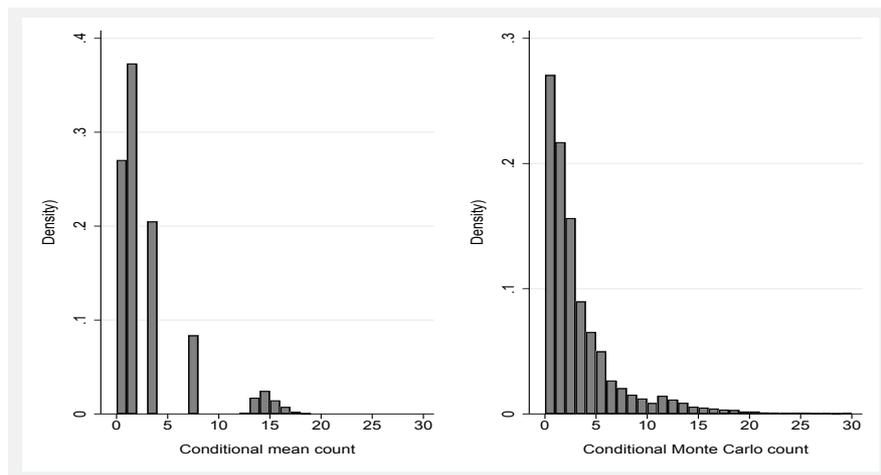

Figure 4: Distributions of GP consultation count with conditional expectation and Monte Carlo interpolation
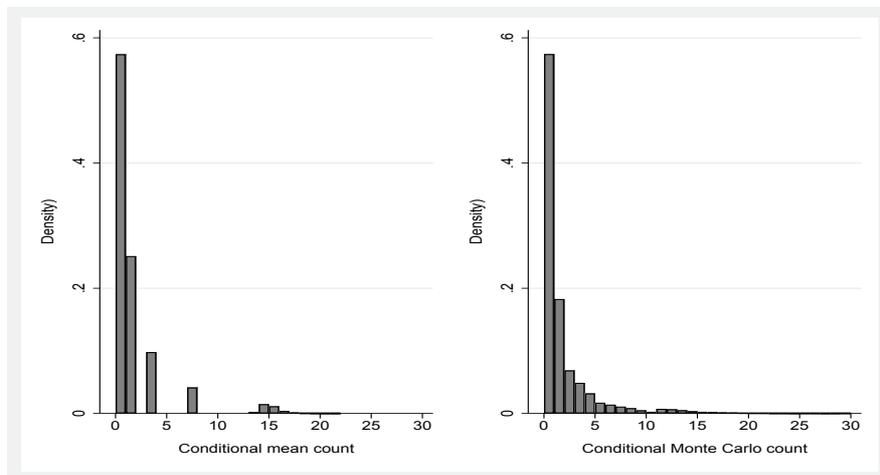
Figure 5: Distributions of OP consultation count with conditional expectation and Monte Carlo interpolation

Use of the `ce` interpolator understates variance, so if other distributional features besides the conditional mean are of interest, the `mc` interpolator is usually preferable. The following code produces the means and standard deviations shown in Table 4. Within education/gender groups, the mean counts produced by `ce` and `mc` are similar (they would be essentially identical if we average a large number of `mc` interpolations, or if there were a very large sample within each education group). In contrast, cell-specific sample dispersion clearly confirms the downward bias in variance for the `ce` interpolator.

```
. matrix mGP=J(8,4,.)
. matrix mOP=mGP
. foreach y in GP OP {
  2.    forvalues m=0/1 {
  3.      forvalues e=0/3 {
  4.        qui summ `y´_ce if e(sample)&educ==`e´&male==`m´
  5.        local r=2*`e´+1
  6.        local c=2*`m´+1
  7.        mat m`y´[`r´,`c´]=r(mean)
  8.        local ++r
  9.        mat m`y´[`r´,`c´]=r(sd)
 10.        qui summ `y´_mc if e(sample)&educ==`e´&male==`m´
 11.        local r=2*`e´+1
 12.        local c=2*`m´+2
 13.        mat m`y´[`r´,`c´]=r(mean)
 14.        local ++r
 15.        mat m`y´[`r´,`c´]=r(sd)
 16.      }
 17.    }
 18. }
. mat m=mGP\mOP
. estout matrix(m, fmt(%5.2f)), style(tex)
```

Table 4: Means and standard deviations of GP and hospital OP consultations interpolated by alternative methods.

Education	Women		Men	
level	CE	MC	CE	MC
GP consultations				
None	4.28	4.31	3.36	3.34
	[4.98]	[5.53]	[4.25]	[4.39]
GCSE	3.38	3.41	2.41	2.42
	[4.13]	[4.51]	[3.42]	[3.59]
A-level	3.06	3.08	1.90	1.91
	[3.64]	[3.88]	[2.77]	[2.96]
Degree	2.80	2.82	1.99	2.01
	[3.44]	[3.65]	[2.73]	[2.88]
OP consultations				
r1	2.04	2.00	1.91	1.86
r2	[3.79]	[3.94]	[3.67]	[3.83]
r3	1.70	1.63	1.36	1.27
r4	[3.31]	[3.22]	[2.91]	[2.91]
r5	1.54	1.49	1.03	0.94
r6	[3.07]	[3.08]	[2.42]	[2.34]
r7	1.56	1.51	1.16	1.07
r8	[2.99]	[2.95]	[2.55]	[2.45]

Group-specific standard deviations in square brackets.

4.3 Determinants of future healthcare demand

The UKHLS is a perpetual panel and, in addition to healthcare use in wave 7, we can also observe a range of health measures and other characteristics at the wave 2 baseline. We use this rather than wave 1 as the baseline because a range of objective measurements was made by nurse interviewers at wave 2.

Our analysis dataset covers demographic covariates (age, gender); indicators of socio-economic status (SES) (homeownership, log equivalised household income, education); and biometrics (waist-height ratio, grip strength, resting heart rate, lung function, HDL "good" cholesterol, hypertension). We estimate standard negative binomial models from the interval data on GP and OP consultations. The following code produces three variants of the model for each dependent variable, and the parameter estimates are shown in Table 5:

```
. global Xdem "male a a2"
. global Xses "h_own ln_income noed degree"
. global Xbio "whr grip pulse htfvc hdl hyper"
```

```
. qui reg lo_GP lo_OP $Xdem $Xses $Xbio
. cap drop insamp
. gen byte insamp=e(sample)

. qui intcount lo_GP hi_GP $Xdem $Xses if insamp, negbin
. estimates store GP1

. qui intcount lo_GP hi_GP $Xdem $Xbio  if insamp, negbin
. estimates store GP2

. qui intcount lo_GP hi_GP $Xdem $Xses $Xbio  if insamp, negbin
. estimates store GP3

. qui intcount lo_OP hi_OP $Xdem $Xses if insamp, negbin
. estimates store OP1

. qui intcount lo_OP hi_OP $Xdem $Xbio  if insamp, negbin
. estimates store OP2

. qui intcount lo_OP hi_OP $Xdem $Xses $Xbio  if insamp, negbin
. estimates store OP3

. estout GP1 GP2 GP3 OP1 OP2 OP3, cells(b(star fmt(%7.3f)) ///
>         se(par)) starlevels(* .1 ** .05 *** .01) style(tex) ///
>         stats(  aic bic, fmt(%7.0f)  )
```

There is little evidence of a predictive role for SES variables when the biometrics are included in the model, so we adopt variant (2) which uses only demographic and biometric covariates. Among the biometrics, only waist-height ratio and grip strength have a consistently significant impact and the following code uses the n predict option to quantify those impacts by computing the mean predicted effect of adding 1 standard deviation to each in turn. The effects are substantial in terms of the potential cost to the public health care system: a uniform 1 standard deviation increase in weight-height ratio increases the consultation workload by 15% for GPs and 12% for hospital out-patient clinics. A similar increase in the grip strength measure is predicted to produce an 11% reduction in GP workloads and a 10% reduction for out-patient clinics.

```
. foreach c in GP OP {
  2.   foreach x in whr grip {
  3.     cap drop pred*
  4.     estimates restore `c´2
  5.     cap drop tmp
  6.     qui gen double tmp=`x´
  7.     qui predict pred0 if insamp,n
  8.     qui summ pred0,meanonly
  9.     scalar t0=r(mean)
 10.     qui replace `x´=`x´+1
 11.     qui predict pred1 if insamp,n
 12.     qui summ pred1,meanonly
 13.     scalar t1=r(mean)
 14.     di in gr "`c´: Impact of 1 sd increase in `x´: " %7.3f (t1-t0)
 15.     di in gr "Proportionate increase: " %5.1f 100*(t1-t0)/t0 "%"
 15.     qui replace `x´=tmp
 16.   }
 17. }
(results GP2 are active now)
GP: Impact of 1 sd increase in whr:   0.344  ( 15.4%)
(results GP2 are active now)
GP: Impact of 1 sd increase in grip:  -0.246  (-11.0%)
(results OP2 are active now)
OP: Impact of 1 sd increase in whr:   0.156  ( 11.8%)
```

```
(results OP2 are active now)
OP: Impact of 1 sd increase in grip:  -0.126  ( -9.5%)
```

Table 5: 5-year ahead predictive models of healthcare use

Coefficient	GP consultations			OP consultations		
	(1)	(2)	(3)	(1)	(2)	(3)
Male	-0.287***	-0.170**	-0.176**	-0.278***	-0.197*	-0.194
	(0.044)	(0.075)	(0.075)	(0.072)	(0.119)	(0.119)
Age§	0.090***	0.032*	0.035*	0.166***	0.144***	0.146***
	(0.015)	(0.018)	(0.019)	(0.025)	(0.030)	(0.032)
Age squared§	0.022***	0.026***	0.022**	0.034**	0.036**	0.036**
	(0.008)	(0.008)	(0.009)	(0.014)	(0.014)	(0.015)
Homeowner	-0.138**		-0.095	-0.071		-0.023
	(0.062)		(0.062)	(0.101)		(0.103)
ln(income)	-0.103**		-0.051	0.083		0.117*
	(0.041)		(0.042)	(0.068)		(0.069)
No qualification	0.122		0.097	0.069		0.065
	(0.080)		(0.080)	(0.134)		(0.133)
Degree	-0.015		0.006	-0.114		-0.113
	(0.047)		(0.047)	(0.077)		(0.077)
Waist-height ratio		0.143***	0.132***		0.111**	0.114**
		(0.027)	(0.027)		(0.045)	(0.045)
Grip strength		-0.117***	-0.109***		-0.100*	-0.111**
		(0.036)	(0.036)		(0.055)	(0.055)
Pulse rate		-0.010	-0.012		0.028	0.028
		(0.022)	(0.022)		(0.036)	(0.037)
Lung function		-0.039	-0.032		0.034	0.039
		(0.037)	(0.037)		(0.060)	(0.061)
HDL cholesterol		-0.060**	-0.060**		0.016	0.010
		(0.025)	(0.025)		(0.041)	(0.041)
Hypertension		0.096*	0.096*		-0.054	-0.057
		(0.053)	(0.053)		(0.088)	(0.088)
Intercept	1.714***	0.745***	1.205***	-0.241	0.241***	-0.560
	(0.298)	(0.042)	(0.304)	(0.491)	(0.068)	(0.503)
$ln(\alpha)$	-0.053	-0.084*	-0.087**	1.073***	1.068***	1.065***
	(0.043)	(0.043)	(0.043)	(0.044)	(0.044)	(0.044)
AIC	8866	8811	8811	7279	7276	7280
BIC	8921	8878	8903	7334	7343	7371

§ Age measured in decades from an origin of 50. Statistical significance: * = 10%, ** = 5%, *** = 1%

5   Conclusions

Survey count data often come in interval form rather than exact counts. It is common for *ad hoc* methods to be used for modelling such data – for example, regression applied to mid-point interpolations, or ordered probit regression that does not exploit the known interval limits or the count nature of the data. This article documents a new Stata command, `intcount`, which allows the estimation of a range of count data regression models from interval data without making arbitrary approximations. The post-estimation `predict` command allows the use of the estimated model for a variety of prediction purposes, including interpolation of the unobserved underlying exact count.

The use of the command is illustrated with applications to data from the UK *Understanding Society* panel on the health service use. These applications demonstrate that interval observation need not be a barrier to econometric analysis.

6   Acknowledgements

7   References

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