Analysis of Zero-Inflated Clustered Count Data: a Marginalized Model Approach

Keunbaik Lee\textsuperscript{a}, Yongsung Joo\textsuperscript{b}, Joon Jin Song\textsuperscript{c} *, Dee Wood Harper\textsuperscript{d}

\textsuperscript{a}Biostatistics Program, School of Public Health, Louisiana State University Health Sciences Center, New Orleans, LA 70112, U.S.A.

\textsuperscript{b}Statistics Department, Dongguk University-Seoul, Seoul 100-715, Korea

\textsuperscript{c}Department of Mathematical Sciences, University of Arkansas, Fayetteville, AR 72701, U.S.A.

\textsuperscript{d}Department of Criminal Justice, Loyola University, New Orleans, LA 70118, U.S.A.

Min and Agresti (2005) proposed random effect hurdle models for zero-inflated clustered count data with two-part random effects for a binary component and a truncated count component. In this paper, we propose new marginalized models for zero-inflated clustered count data using random effects. The marginalized models are similar to Dobbie and Welsh’s (2001) model in which generalized estimating equations were exploited to find estimates. However, our proposed models are based on likelihood-based approach. Quasi-Newton algorithm is developed for estimation. We use these methods to carefully analyze two real datasets.

\textbf{Keywords:} Hurdle models; ZIP models; Random effects; Quasi-Newton.

\textsuperscript{*}Corresponding author. Tel.:+1 479 575-6319; fax: +1 479 575-8630. E-mail address: jjsong@uark.edu
1. Introduction

Count data with excess zeros are often encountered in a wide range of applications including medical, public health and social studies, particularly when the event of interest is rare. This type of count data is typically assumed to be from two-component models, which are often built using mixture and conditional models. The former is well known as the zero-inflated Poisson (ZIP) model (Lambert, 1992), mixing a discrete point mass and a Poisson distribution. The latter is a two-part conditional model, known as hurdle model (Mullahy, 1986), using a zero mass, so-called ‘hurdle’, and truncated Poisson distribution. The ZIP regression model is mixtures of logistic and Poisson regression models where the logistic portion contributes to the probability of a count of zero and the Poisson portion contributes to the frequency of utilization conditional on use. The hurdle model is also a two-part mixture model. One part is a binary model for whether the response outcome is zero or positive. The second part uses a truncated Poisson model for positive outcome.

Although the ZIP model is commonly used, the ZIP model is suitable only for handling zero inflation. However, when a data set is zero deflated at a level of a factor, the estimate of the corresponding parameter in the binary part of the ZIP model can be infinity (Min and Agresti, 2005). In addition, the ZIP model is more complex to fit than the hurdle model. In contrast, the hurdle model is suitable for modeling both zero inflation and zero deflation (Min and Agresti, 2005). In this paper, we propose new models based on the idea of hurdle model using a marginalized model approach in order to analyze clustered count data with extra zeros.

To analyze clustered count data with extra zeros, high positive correlation between responses must be considered. In this situation, random effects are commonly used to explain the within-subject dependence. Hall (2000) proposed zero-inflated Poisson models with random effects to account for the within-subject dependence in the Poisson state. However, the random effect was not used for the part of the model for the zero inflation. Yau and Lee (2001) used random effects to explain the within-subject dependence in both components in the hurdle model. However, the random effects in both components are independent. Min and Agresti (2005) extended Yau and Lee’s (2001) model for repeated zero-inflated count data with two-part random effects for a binary component and a truncated count component and considered correlated random effects models unlike the models in Yau and Lee (2001). However, the models using random effects cannot have marginal mean directly which can be of interest in longitudinal or clustered data. As an alternative to the inclusion of random effects, several authors considered marginal models for countable data with extra zeros. The approach is to incorporate generalized estimating equations (GEEs) with a dependence working correlation matrix into the fitting algorithm (Dobbie and Welsh, 2001). Therefore, Dobbie and Welsh (2001) have marginal relationship between mean of response and covariates directly. Hall and Zhang (2001) proposed marginal model with generalized estimating equations (GEE) approach using EM algorithm. However, the GEE approach cannot be used directly under missing at random (MAR) which is common in longitudinal studies and semiparametric GEE approaches require explicit specification of the the missing data mechanism (mdm). In addition, the re-weighting based approaches (based on the mdm) to handle MAR in GEEs only ‘impute’ missing values at the observed data points. Likelihood based approaches
do not have this restriction. In this paper, we propose a marginalized random effects model (MREM) which is one of the likelihood-based approaches and has the advantages of random effects and marginal models.

The MREMs were proposed by Heagerty (1999). The MREMs are commonly used to analyze longitudinal categorical data. Important features of these models are that marginal means are modeled directly and that the correlation among responses from same subject is accounted using random effects (Heagerty, 1999; Lee and Daniels, 2008; Lee et al., 2009; Lee et al., 2010). There are several advantages of the MREMs. First, the interpretation of regression coefficients does not depend on specification of the dependence in the model unlike in conditional models. Second, they can be much less susceptible to bias resulting from random effects model mis-specification (Heagerty and Zeger, 2000; Heagerty and Kurland, 2001; Lee and Daniels, 2008; Lee et al., 2009; Lee et al., 2010). Third, likelihood based inference is valid under ignorability and the missing data mechanism need not be explicitly specified. The use of a likelihood based approach will have advantages for longitudinal data that is missing at random (MAR) and in particular, ignorable (Lee and Daniels, 2008; Lee et al., 2009).

We propose likelihood-based marginalized models using the idea of MREMs for clustered count data with excess zeros which have marginal relationship of mean of response and covariates as in Dobbie and Welsh (2001). They also explain clustered dependence of responses using random effects as in Min and Agresti (2005). The proposed models are a useful class of models for zero-inflated clustered count data. The nonzero counts necessarily follow a zero-truncated Poisson distribution. In practice, nonzero count data are often overdispersed and alternative distributions, such as the zero-truncated negative binomial distribution, may be more appropriate more than Poisson hurdle model (Ridout et al., 2001). Thus, we also consider a zero-inflated negative binomial hurdle model.

The paper is organized as follows. In Section 2, we propose marginalized Poisson hurdle (MPH) and marginalized negative binomial hurdle (MNBH) models for the zero-inflated clustered count data. In Section 3, we conduct a simulation study to examine bias and efficiency of estimation of marginal mean parameters. In Section 4, we will analyze two real data sets using our proposed models. Finally, a brief summary is included in Section 5.

2. Proposed Models

Denote the response vector for the \( i \)th subject by \( y_i = (y_{i1}, \ldots, y_{in_i})^T \) where \( y_{it} \) is count response at time \( t \) for \( t = 1, \ldots, n_i \). We assume that \( y_{it} \) is conditionally independent given \( b_i = (b_{i1}, b_{i2})^T \) and the responses on different subjects are independent. Let \( x_{it} \) be covariates corresponding to \( y_{it} \).

2.1. Marginalized Poisson Hurdle Models

As we described in Section 1, we first develop the marginalized Poisson hurdle (MPH) model to accommodate clustered count data with excess zeros. We assume the marginal
probability of response for countable responses is given by

\[
P(y_{it}|x_{it}) = \begin{cases} 
1 - p^M_{it}, & \text{if } y_{it} = 0; \\
p^M_{it} \frac{g(y_{it}; \lambda^M_{it})}{(1-e^{-\lambda^M_{it}})}, & \text{if } y_{it} = 1, 2, \ldots ,
\end{cases}
\]

where

\[
\logit p^M_{it} = x^T_{it} \gamma, 
\]

\[
g(y_{it}; \lambda^M_{it}) = \frac{e^{-\lambda^M_{it}} \left( \lambda^M_{it} \right)^{y_{it}}}{y_{it}!},
\]

\[
\lambda^M_{it} = \exp(x^T_{it} \beta),
\]

\[
\beta \text{ and } \gamma \text{ are } p \times 1 \text{ dimensional unknown marginal parameter vectors, } x_{it} \text{ is } p \times 1 \text{ dimensional vector of covariates.}
\]

To explain clustered association of responses we now use random effects from the idea of the MREMs (Heagerty, 1999). We assume a conditional hurdle model corresponding to (1) and (2). Given \( b_i = (b_{i1}, b_{i2})^T \),

\[
P(y_{it}; b_i) = \begin{cases} 
1 - p^c_{it}(b_{i1}), & \text{if } y_{it} = 0; \\
p^c_{it}(b_{i1}) \frac{g(y_{it}; \lambda^c_{it}(b_{i2}))}{(1-e^{-\lambda^c_{it}(b_{i2})})}, & \text{if } y_{it} = 1, 2, \ldots ,
\end{cases}
\]

where

\[
\logit p^c_{it}(b_{i1}) = \Delta_{it1} + z^T_{it1} b_{i1},
\]

\[
g(y_{it}; \lambda^c_{it}(b_{i2})) = \frac{e^{-\lambda^c_{it}(b_{i2})} \left( \lambda^c_{it}(b_{i2}) \right)^{y_{it}}}{y_{it}!},
\]

\[
\log \lambda^c(b_{i2}) = \Delta_{it2} + z^T_{it2} b_{i2},
\]

\[
b_i = \begin{pmatrix} b_{i1} \\ b_{i2} \end{pmatrix} \text{ i.i.d. } N(0, \Sigma),
\]

with \( z_{it1} \) and \( z_{it2} \) being subsets of \( x_{it} \), \( b_{i1} \) and \( b_{i2} \) being corresponding random vectors, and

\[
\Sigma = \begin{pmatrix} \Sigma_1 & \Sigma_{12} \\ \Sigma_{12} & \Sigma_2 \end{pmatrix}.
\]

where \( \Sigma, \Sigma_1, \) and \( \Sigma_2 \) are unknown positive-definite matrices. Note that \( \Delta_{it1} \) and \( \Delta_{it2} \) are the subject-specific intercept and function of both the marginal parameters \( (\gamma, \beta) \) and the dependence parameters \( (\Sigma) \). Detailed description is given later. As the simple random intercept form of models is often adequate in practice, we only discuss the case with \( b_{i1} \) and \( b_{i2} \) being univariate and \( z_{it1} = z_{it2} = 1 \). Then, we have

\[
\Sigma = \begin{pmatrix} \sigma_1^2 & \sigma_{12} \\ \sigma_{12} & \sigma_2^2 \end{pmatrix}.
\]

Note that the two random effects, \( b_{i1} \) and \( b_{i2} \), are likely correlated and account for the within-subject dependence and \( \Sigma \) represents the covariance matrix between \( b_{i1} \) and \( b_{i2} \).
like Min and Agresti’s (2005) model. From the marginal and conditional distributions, we respectively have the marginal and conditional expectations

\[
E(Y_{it}|x_{it}) = p_{it}^M \frac{\lambda^M_{it}}{1 - e^{-\lambda^M_{it}}},
\]

\[
E(Y_{it}|b_i) = p_{it}^c(b_{i1}) \frac{\lambda^c(b_{i2})}{1 - e^{-\lambda^c(b_{i2})}}.
\]

\(\Delta_{it1}\) and \(\Delta_{it2}\) in (4) and (5) are determined implicitly by \(\gamma\) and \(\sigma_1\), and \(\beta\) and \(\Sigma\), respectively. The parameters \(\Delta_{it1}\) are a function of both the marginal mean parameters, \(\gamma\), in (4) and the random effects variances \(\sigma_1\), in (7) and can be obtained using the following identity

\[
p_{it}^M = \int p_{it}^c(b_{i1}) f(b_{i1}) db_{i1},
\]

where \(f(b_{i1})\) is a univariate normal distribution with mean 0 and variance \(\sigma_1^2\). Similarly, \(\Delta_{it2}\) in (5) is a function of \(\gamma\), \(\beta\), \(\Sigma\) in (1), (2), (4), and (5) and can be obtained using the following identity

\[
E(Y_{it}|x_{it}) = E\{E(Y_{it}|b_i)\},
\]

\[
\Leftrightarrow p_{it}^M \frac{\lambda^M_{it}}{1 - e^{-\lambda^M_{it}}} = \int p_{it}^c(b_{i1}) \frac{\lambda^c(b_{i2})}{1 - e^{-\lambda^c(b_{i2})}} f(b_i) db_i,
\]

where \(f(b_i)\) is a bivariate normal distribution with mean 0 and variance \(var(b_i)\). Given \(\gamma\), \(\beta\), and \(\sigma\), \(\Delta_{it1}\) and \(\Delta_{it2}\) are deterministic functions of the parameters. Thus, we use (8) and (9) to solve \(\Delta_{it1}\) and \(\Delta_{it2}\) using a Newton-Raphson. For the explicit forms of the terms in the Newton-Raphson algorithm, see the Appendix. This technique was also used in MREM for longitudinal categorical data (Heagerty, 1999; Lee and Daniels, 2008; Lee et al., 2009).

The marginal mean models, (1) and (2), are modeled using logistic regression and Poisson regression, while clustered association are captured by the random effects in (4) and (5). In contrast to Min and Agresti’s (2005) models, the regression parameters (\(\gamma\) and \(\beta\)) have marginal interpretations. Dobbie and Welsh (2001) also proposed marginal model using GEE approach. However, the GEE approach cannot be used directly under missing at random (MAR) which is common in longitudinal studies. Because our proposed models are combined models of Min and Agresti’s (2005) and Dobbie and Welsh’s (2001), there are several advantages of these models. First, clustered association is explained using conditional models while the marginal mean as a function of covariates still structures directly. As a result, the interpretation of the regression coefficients, \(\gamma\) and \(\beta\), does not depend on the specification of the dependence model. Second, likelihood based inference is valid under ignorability and the missing data mechanism need not be explicitly specified unlike the GEE approach in Dobbie and Welsh (2001). The use of a likelihood based approach will have advantages for longitudinal data that is missing at random (MAR) and in particular, ignorable.
2.2. Marginalized Negative Binomial Hurdle models

Now we propose marginalized negative binomial hurdle models to account for nonzero overdispersed data. The marginal probability of responses are given by

\[
P(y_{it}; x_{it}) = \begin{cases} 
1 - q^M_{it}, & \text{if } y_{it} = 0; \\
q^M_{it} k(y_{it}; \mu^M_{it}) \left( \frac{1}{1 + \nu \mu^M_{it}} \right)^{\nu - 1}, & \text{if } y_{it} = 1, 2, \ldots,
\end{cases}
\]

where

\[
\logit q^M_{it} = x_{it}^T \gamma,
\]

\[
k(y_{it}; \mu^M_{it}) = \frac{\Gamma(\nu^{-1} + y_{it})}{\Gamma(\nu^{-1}) y_{it}!} \left( \frac{1}{1 + \nu \mu^M_{it}} \right)^{\nu - 1} \left( \frac{\nu \mu^M_{it}}{1 + \nu \mu^M_{it}} \right)^{y_{it}},
\]

\[
\log \mu^M_{it} = x_{it}^T \gamma.
\]

The conditional probabilities of responses given random effects are given by

\[
P(y_{it}; b_i) = \begin{cases} 
1 - q^c_{it}(b_{i1}), & \text{if } y_{it} = 0; \\
q^c_{it}(b_{i1}) k(y_{it}; \mu^c_{it}(b_{i2})) \left( \frac{1}{1 + \nu \mu^c_{it}(b_{i2})} \right)^{\nu - 1}, & \text{if } y_{it} = 1, 2, \ldots,
\end{cases}
\]

where

\[
\logit q^c_{it}(b_{i1}) = \Delta_{it1} + z_{i1}^T b_{i1},
\]

\[
k(y_{it}; \mu^c_{it}(b_{i2})) = \frac{\Gamma(\nu^{-1} + y_{it})}{\Gamma(\nu^{-1}) y_{it}!} \left( \frac{1}{1 + \nu \mu^c_{it}(b_{i2})} \right)^{\nu - 1} \left( \frac{\nu \mu^c_{it}(b_{i2})}{1 + \nu \mu^c_{it}(b_{i2})} \right)^{y_{it}},
\]

\[
\log \mu^c_{it}(b_{i2}) = \Delta_{it2} + z_{i2}^T b_{i2},
\]

where \( b_i \) is random effects which are jointly normal and possibly correlated and is given in (6). We also consider the simple random intercept form here.

Similar to the identities, (8) and (9), for the MPH, we have the following relationships

\[
q^M_{it} = \int q^c_{it}(b_{i1}) f(b_{i1}) db_{i1}, \quad (10)
\]

\[
E(Y_{it}|x_{it}) = E \{ E(Y_{it}|b_{i2}) \},
\]

\[
\Leftrightarrow q^M_{it} \frac{\mu^M_{it}}{1 - \left( \frac{1}{1 + \nu \mu^M_{it}} \right)^{\nu - 1}} = \int q^c_{it}(b_{i1}) \frac{\mu^c_{it}(b_{i2})}{1 - \left( \frac{1}{1 + \nu \mu^c_{it}(b_{i2})} \right)^{\nu - 1}} f(b_{i1}) db_{i1}. \quad (11)
\]

We also solve \( \Delta_{it1} \) and \( \Delta_{it2} \) using (10) and (11) given \( \gamma \), \( \beta \) and \( \sigma \) using a Newton-Raphson. For the explicit forms of the terms in the Newton-Raphson algorithm, also see the Appendix.

2.3. Reparametrization of the random effects and their covariance matrix

From a computational perspective, it is convenient to orthogonalize the random effects by setting \( b_i = \Sigma^{1/2} z_i \), where \( \Sigma^{1/2} \) is the Cholesky factor of the \( 2 \times 2 \) matrix \( \Sigma \) (Gibbons and Bock, 1987), which are given by

\[
\Sigma^{1/2} = \begin{pmatrix} s_{11} & 0 \\ s_{21} & s_{22} \end{pmatrix},
\]
and \( z_i \) is a 2 \times 1 vector of independent standard normals. The reparameterized conditional model for MPH model is then given by

\[
p_{it}^c(b_{i1}) = \frac{\exp(\Delta_{i1} + s_{11}z_{i1})}{1 + \exp(\Delta_{i1} + s_{11}z_{i1})} \overset{\text{let}}{=} p_{it}^c(z_i),
\]
\[
\lambda_{it}^c(b_{i2}) = \exp(\Delta_{i2} + s_{21}z_{i1} + s_{22}z_{i2}) \overset{\text{let}}{=} \lambda_{it}^c(z_i),
\]

Similarly, we reexpress (10) in MNBH model as given by,

\[
\mu_{it}^c(b_{i2}) = \exp(\Delta_{i2} + s_{21}z_{i1} + s_{22}z_{i2}) \overset{\text{let}}{=} \mu_{it}^c(z_i).
\]

This transformation allows us to estimate the Cholesky factor \( \Sigma^{\frac{1}{2}} \) instead of the covariance matrix \( \Sigma \). Since the Cholesky factor is the square root of the covariance matrix, it allows a more stable estimation of near-zero variance terms (Hedeker and Gibbons, 1994).

### 2.4. Estimation

The likelihood function for the MPH model, which is the integral over random effects of a product of two distributions, is given by

\[
L(\theta; y) = \prod_{i=1}^{N} \int_{y_{it}=0} \left\{ p_{it}^c(z_i) g(y_{it}; \lambda_{it}^c(z_i)) \right\} 1 - I(y_{it}=0) \phi(z_i) dz_i, \tag{12}
\]

where \( \phi(\cdot) \) is a multivariate standard normal density with mean vector 0 and variance-covariance matrix \( I \), \( g(\cdot; \lambda_{it}^c(z_i)) \) is a Poisson probability mass function with mean \( \lambda_{it}^c(z_i) \), \( \theta^T = (\gamma^T, \beta^T, s^T) \), and \( s^T = (s_{11}, s_{21}, s_{22}) \). Since the marginalized likelihood in (12) is not available in closed form, we use Gauss-Hermite quadrature to (numerically) integrate out the random effects.

Maximizing the log-likelihood with respect to \( \theta \) yields the likelihood equation

\[
\sum_{i=1}^{N} \frac{\partial \log L(\theta; y_i)}{\partial \theta} = \sum_{i=1}^{N} L^{-1}(\theta; y_i) \int \frac{\partial L(\theta, z_i; y_i)}{\partial \theta} \phi(z_i) dz_i = 0,
\]

where

\[
L(\theta; y_i) = \prod_{t=1}^{n_i} (1 - p_{it}^c(z_i)) I(y_{it}=0) \left\{ p_{it}^c(z_i) g(y_{it}; \lambda_{it}^c(z_i)) \right\} 1 - I(y_{it}=0) \phi(z_i) dz_i,
\]
\[
L(\theta, z_i; y_i) = \prod_{t=1}^{n_i} (1 - p_{it}^c(z_i)) I(y_{it}=0) \left\{ p_{it}^c(z_i) g(y_{it}; \lambda_{it}^c(z_i)) \right\} 1 - I(y_{it}=0). \tag{13}
\]

The \((2p + 3)\) dimensional likelihood equations are given in the Appendix.

The matrix of second derivatives of the observed data log-likelihood has a very complex form. Fortunately, the sample empirical covariance matrix of the individual scores in any correctly specified model is a consistent estimator of the information and involves only the first derivatives. So the Quasi-Newton method can be used to solve the likelihood equations using

\[
\theta^{(c+1)} = \theta^{(c)} + \left[I_e(\theta^{(g)}; y)\right]^{-1} \frac{\partial \log L}{\partial \theta^{(c)}},
\]
where $I_e(\theta)$ is an empirical and consistent estimator of the information matrix at step $g$ and is given by

$$I_e(\theta; y) = \sum_{i=1}^{N} \frac{\partial L(\theta; y_i)}{\partial \theta} \frac{\partial L(\theta; y_i)}{\partial \theta^T}.$$ 

At convergence, the large-sample variance-covariance matrix of the parameter estimates is then obtained as the inverse of $I_e(\hat{\theta}; y)$. For the explicit forms of the terms in the Quasi-Newton algorithm, see the Appendix.

Similarly, we have the log likelihood function, score function, and information matrix for the MNBH models and detailed calculations in the Appendix.

### 3. Simulation Study

We conducted a simulation study to examine the bias in estimating the parameters in the MPH model. We simulated clustered zero-inflated data under an MPH model. Covariates were group (2 levels) and time. The marginal models from (1) and (2) were specified as

$$\logit(p^M_{it}) = \gamma_0 + \gamma_1 \text{group}_i + \gamma_2 \text{time}_{it},$$

$$\log(\lambda) = \beta_0 + \beta_1 \text{group}_i + \beta_2 \text{time}_{it},$$

$$\gamma = (\gamma_0, \gamma_1, \gamma_2) = (-2.0, 0.3, 0.1),$$

$$\beta = (\beta_0, \beta_1, \beta_2) = (0.2, 0.4, 0.5),$$

where $\text{time}_{it} = (t - 1)/10$ for $t = 1, \cdots, 6$ and $\text{group}_i = 0$ or 1 such that the sample size per group was approximately equal for all times $t$. The dependence models were using from (4) and (5) with

$$\Sigma = \begin{pmatrix} 2.5 & 2 \\ 2 & 3 \end{pmatrix}.$$ 

We generated 200 simulated data sets each with sample size of 400. We fit two models, the true model (Model 1) and an independent hurdle model ignoring the temporal dependence (Model 2). Based on this specification, the observed zero rates were approximately 60 percent.

Table 1 presents mean estimates, the absolute values of biases (AVB), and 95% Monte Carlo error intervals of the parameters. The estimates were essentially unbiased with very similar AVB’s for Models 1 and 2 except $\beta_0$. The 95% Monte Carlo error intervals contained the true values for the parameters. However, the coefficient of $\beta_0$ in Model 2 had a big bias. Therefore, we conclude that the estimated marginal parameters in our proposed model (Model 1) are on average closer to the true parameter value.

### 4. Example

#### 4.1. A Pharmaceutical Study

This data set first described by Min and Agresti (2005) to illustrate hurdle models with random effects is used here to demonstrate the use of our marginalized hurdle models. One hundred and eighteen patients were randomly assigned to one of two treatment groups,
Table 1
Bias of maximum likelihood estimators. Displayed are the average regression coefficient estimates and the absolute value of biases \( \text{AVB}=|\bar{\theta} - \theta| \) where \( M \) is the number of simulated data sets. 95% Monte Carlo error intervals \( (\bar{\theta} \pm 1.96\sqrt{\text{var}(\bar{\theta})/M}) \) in parentheses.

<table>
<thead>
<tr>
<th>para.</th>
<th>true</th>
<th>Mean AVB</th>
<th>Mean AVB</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \gamma_0 )</td>
<td>-2.0</td>
<td>-2.01 0.01</td>
<td>-2.01 0.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-2.03,-1.99)</td>
<td>(-2.03,-1.99)</td>
</tr>
<tr>
<td>( \gamma_1 )</td>
<td>0.3</td>
<td>0.30 0.00</td>
<td>0.30 0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.27,0.32)</td>
<td>(0.27,0.32)</td>
</tr>
<tr>
<td>( \gamma_2 )</td>
<td>0.1</td>
<td>0.12 0.02</td>
<td>0.12 0.02</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.08,0.17)</td>
<td>(0.08,0.17)</td>
</tr>
<tr>
<td>( \beta_0 )</td>
<td>0.2</td>
<td>0.21 0.01</td>
<td>0.03 0.17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.17,0.25)</td>
<td>(-0.03,0.09)</td>
</tr>
<tr>
<td>( \beta_1 )</td>
<td>0.4</td>
<td>0.43 0.03</td>
<td>0.45 0.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.39,0.47)</td>
<td>(0.37,0.52)</td>
</tr>
<tr>
<td>( \beta_2 )</td>
<td>0.5</td>
<td>0.46 0.04</td>
<td>0.46 0.04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.42,0.51)</td>
<td>(0.39,0.54)</td>
</tr>
</tbody>
</table>

Table 2
Sample means and variances of side effect number and nonzero side effect number, and proportions of nonzero side effect number for each year.

<table>
<thead>
<tr>
<th>Visit</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>0.093</td>
<td>0.229</td>
<td>0.229</td>
<td>0.314</td>
<td>0.424</td>
<td>0.432</td>
</tr>
<tr>
<td>variance</td>
<td>0.102</td>
<td>0.366</td>
<td>0.315</td>
<td>0.696</td>
<td>1.033</td>
<td>1.153</td>
</tr>
<tr>
<td>Mean (Nonzero)</td>
<td>1.100</td>
<td>1.421</td>
<td>1.350</td>
<td>1.762</td>
<td>2.000</td>
<td>2.217</td>
</tr>
<tr>
<td>variance</td>
<td>0.100</td>
<td>0.591</td>
<td>0.345</td>
<td>1.390</td>
<td>1.750</td>
<td>1.996</td>
</tr>
<tr>
<td>Proportion (Nonzero)</td>
<td>0.085</td>
<td>0.161</td>
<td>0.169</td>
<td>0.178</td>
<td>0.212</td>
<td>0.195</td>
</tr>
</tbody>
</table>

treatment A (TRT 1, 59 patients) and treatment B (TRT 2, 59 patients). Response variable was the number of side effect episodes which was measured at each of six visits. As Min and Agresti (2005) indicated, about 83% of the observations were zeros and there was a variety of count number as visit number increased. Therefore, time was incorporated as a covariate in the model.

Table 2 presents sample means and variances of side effect numbers and nonzero side effect numbers, and proportions of nonzero side effect number for each visit. Since the sample means of side effects numbers were smaller than the corresponding sample variances, we fitted the negative binomial GLMM. The sample means of nonzero side effects numbers is larger than the corresponding variances. This indicates that overdispersion did not happen in nonzero count data. Therefore, we fitted the MPH model. We also fitted the Poisson GLMM, Dobbie and Welsh's model (2001), and Min and Agresti’s Poisson hurdle random effects model (2005), respectively.
Table 3
Comparison of maximized loglikelihoods and AICs

<table>
<thead>
<tr>
<th></th>
<th>MPH</th>
<th>M&amp;A</th>
<th>Poisson GMM</th>
<th>NB GMM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max. loglik.</td>
<td>−409.1</td>
<td>−409.2</td>
<td>−426.1</td>
<td>−416.6</td>
</tr>
<tr>
<td>AIC</td>
<td>836.2</td>
<td>836.4</td>
<td>860.1</td>
<td>843.1</td>
</tr>
</tbody>
</table>

The Quasi-Newton algorithm is not computationally trivial because of numerical integration. We simultaneously used R 2.6.0 software (http://www.r-project.org) and FORTRAN 77. The R software was used to compute complicated calculation of matrices and the Quasi-Newton iteration and the FORTRAN 77 was used to make subroutines (.dll files) to implement the calculations of ∆ using the Newton-Raphson and of derivatives of ∆. Each Quasi-Newton step (in which all the ∆_{itj} need to be computed) on a PC with 1.86 GHz processor took about 1.5 minutes for the MPH model with 40 point Gauss-Hermite quadrature. To reduce the number of iterations until convergence, we used initial values that are obtained by fitting an independent hurdle model in R resulting in a minimal number of iterations until convergence. In our analysis below, we obtained convergence in 40 iterations using a fairly strict convergence criterion, \( \sqrt{(\hat{\theta}^{\text{old}} - \hat{\theta}^{\text{new}})^T(\hat{\theta}^{\text{old}} - \hat{\theta}^{\text{new}})} \leq 10^{-5} \), where \( \hat{\theta}^{\text{new}} \) and \( \hat{\theta}^{\text{old}} \) are current and previous fitted values of parameters, respectively.

Table 3 presents maximized loglikelihood and AIC for all models except Dobie and Welsh model. The MPH and Min and Agresti model fit better than GLMMs. The maximized loglikelihood and AIC for the MPH and M&A model were very similar. However, the MPH and M&A was based on marginal model and conditional models, respectively. Here we focus on the marginal relationship between mean of side effects numbers and covariates.

Table 4 presents maximum likelihood estimates of marginal mean parameters for MPH and D & W. The estimated values for the two models were very similar. Because there was no missing data in this data set, GEE and maximum likelihood estimates were similar (Diggle et al., 2002). The estimated parameter comparing the treatment in the logistic regression was significant with an estimate of 0.665 (SE=0.310). This indicated that the estimated marginal probability of side effect occurrence for treatment B was higher than for treatment A. In the estimates of marginal mean of side effect parameters, the coefficients of Trt2 (0.868, SE=0.415) and log(Time) (0.540, SE=0.205) were significant, respectively. This indicated that the marginal mean of side effect number for treatment B was higher than for treatment A controlling at fixed time and the marginal mean increased as time increased, respectively. The ML estimate for Σ for the MPH was

\[
\hat{\Sigma} = \begin{pmatrix} 2.719 & 0.999 \\ 0.999 & 0.509 \end{pmatrix}.
\]

This presented large subject-to-subject variation in the odds of probability of side effect occurrence (2.179) compared with the variation of mean of side effect number (0.509). The estimated correlation of two random effects, \( b_{1i} \) and \( b_{2i} \), was 0.894 and was very positive correlated. It is very similar value to Min and Agresti’s result (0.848).
Table 4
Maximum likelihood estimates and standard errors for MPH and D & W models.

<table>
<thead>
<tr>
<th>Term</th>
<th>MPH</th>
<th>D &amp; W</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Est.</td>
<td>S.E.</td>
</tr>
<tr>
<td>Logistic Part</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Int.</td>
<td>-2.038*</td>
<td>0.406</td>
</tr>
<tr>
<td>Trt2</td>
<td>0.665*</td>
<td>0.310</td>
</tr>
<tr>
<td>log(Time)</td>
<td>0.018</td>
<td>0.117</td>
</tr>
<tr>
<td>Poisson Part</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Int.</td>
<td>-1.949*</td>
<td>0.598</td>
</tr>
<tr>
<td>Trt2</td>
<td>0.868*</td>
<td>0.415</td>
</tr>
<tr>
<td>log(Time)</td>
<td>0.540*</td>
<td>0.205</td>
</tr>
</tbody>
</table>

* indicates significance with 95% confidence level.

4.2. New Orleans Murder Rate Study

The data set for this study includes 37 census tract/police zones for each decennial census year from 1940 to 2000 ($7 \times 37 = 259$). While the selection of these 37 census tract/police zones creates a bias toward the older tracts in the city, these tracts were the only tracts that were also police zones, thus providing consistent murder counts and census data for the 60 year period. Examining murder over this 60 year period is theoretically relevant because the rate of murder in the city changed dramatically in the early 1970s. For example, the average number of murders in the 37 census tract/police zones for the decennial years 1940 to 1970 was 14.5. However, the average from 1980 to 2000 was 66.6. This occurred in the context of a population decline in the 37 tracts from 128,204 in 1970 to 115,209 in 1980. The question is: how do we account for this dramatic change in the volume of murder? About 63% of all 259 count values were zero. Therefore, hurdle models could be considered to fit.

For simplicity, we assume that the murder numbers in the district zones are independent (Mears and Bhati, 2006). It is justified from the perspective of criminological theory in which murders in contiguous zones could have spillover and human behavior is not constrained by artificial or arbitrary boundaries. The zones, however, when they were established were drawn along census tract lines. These census tracts were thought to be relatively homogeneous neighborhoods in a sociological sense. (Green and Truesdell, 1934).

To find the demographic factors that elevate murder rate, longitudinally measured count response of murders of district zones in New Orleans were analyzed with our proposed models. As predictors, we included the proportion of African American - a proxy for racial isolation (Black), income quantiles (Pnilf), the proportion of people in the age group 15 to 24 (Pro15to24), and decennial years (Year= 0.0, 0.0, ..., 0.6). Two covariates, Black and Pro15to24, were two structural covariates of neighborhoods selected because racial isolation as measured by percent African American and the proportion of the population 15 to 24 years of age are consistent with the criminological literature (Wilson, 1987, 1994; Cohen and Tita, 1999; Cork, 1999; Messner et al., 1999; Lee, 2000; Baller et al., 2001;
Table 5
Mean and standard deviation of independent variables.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>Mean</td>
<td>0.333</td>
<td>0.277</td>
<td>0.422</td>
<td>0.490</td>
<td>0.439</td>
<td>0.542</td>
</tr>
<tr>
<td></td>
<td>Std.</td>
<td>0.229</td>
<td>0.235</td>
<td>0.398</td>
<td>0.377</td>
<td>0.360</td>
<td>0.350</td>
</tr>
<tr>
<td>Pnilf</td>
<td>Mean</td>
<td>0.327</td>
<td>0.341</td>
<td>0.361</td>
<td>0.318</td>
<td>0.436</td>
<td>0.352</td>
</tr>
<tr>
<td></td>
<td>Std.</td>
<td>0.058</td>
<td>0.056</td>
<td>0.047</td>
<td>0.066</td>
<td>0.117</td>
<td>0.113</td>
</tr>
<tr>
<td>Pro15to24</td>
<td>Mean</td>
<td>0.097</td>
<td>0.094</td>
<td>0.063</td>
<td>0.085</td>
<td>0.181</td>
<td>0.064</td>
</tr>
<tr>
<td></td>
<td>Std.</td>
<td>0.039</td>
<td>0.039</td>
<td>0.014</td>
<td>0.022</td>
<td>0.038</td>
<td>0.023</td>
</tr>
</tbody>
</table>

Table 6
Sample means and variances of murder numbers and nonzero murder numbers, and proportions of nonzero murder numbers for each year.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean (murder no.) variance</td>
<td>0.297</td>
<td>0.432</td>
<td>0.324</td>
<td>0.676</td>
<td>1.594</td>
<td>2.270</td>
<td>1.568</td>
</tr>
<tr>
<td>Mean (Nonzero murder) variance</td>
<td>0.326</td>
<td>0.808</td>
<td>0.503</td>
<td>1.836</td>
<td>5.359</td>
<td>12.758</td>
<td>3.530</td>
</tr>
<tr>
<td>Proportion (Nonzero murder)</td>
<td>1.222</td>
<td>1.778</td>
<td>1.500</td>
<td>2.273</td>
<td>3.278</td>
<td>4.200</td>
<td>2.900</td>
</tr>
</tbody>
</table>

Griffiths and Chavez, 2004; Mears and Bhati, 2006).

Table 5 indicates means and standard deviation for the predictors. Population at each year was used as offset and Pop = Population/10,000 was used for numerical reasons. Table 5 shows the means and standard deviations of the independent variables for the each census year, indicating as follows: 1) the proportion of African Americans was likely to increase in the census year, 2) income quantiles did not change from year to year, and 3) the proportion of 15 to 24 years old did not change from year to year except 1980.

Year effect was also important. Table 6 indicates sample means and variances of murder numbers and nonzero murder numbers, and proportions of nonzero murder numbers for each year. The means of murder and nonzero murder numbers had cubic trend over years. A similar pattern occurred in the proportions of nonzero murder numbers. We considered linear, quadratic, and cubic terms of covariate year. We also considered the fourth power of year, but it was not significant.

Using marginal models may allow us to clarify some of the inconsistencies in the predictive strength of covariates of murder over this 60 year period. We fit two marginalized hurdle models proposed in this paper, two hurdle models with random effects which were proposed in Min and Agresti (2005), and two generalized mixed models with Poisson and negative binomial distributions, respectively. Let Model 1 be an MPH and Model 2 be an MNBH. Both had variance-covariance structures for random effects. Models 3 and 4 are Min and Agresti’s hurdle models using Poisson and negative binomial distributions, respectively. Finally, Models 5 and 6 are the Poisson regression model and negative binomial regression models with random effects, respectively.
Table 7 presents maximized loglikelihood and AIC for all models. We first considered marginalized and marginal models (Models 3, 4, 5, 6). Since Models 3 and 5, and 4 and 6 are nested models, respectively, the likelihood ratio tests were conducted and the comparisons indicated that we cannot claim Model 3 fit better than Model 5 ($\Delta D_{35} = 2 \times (311.9 - 308.4) = 7$, p-value= 0.637 on 9 d.f.). Similarly, we cannot claim that Model 4 fit better than Model 6 ($\Delta D_{46} = 0.4$, p-value= 0.9999 on 9 d.f.). Since Models 1 and 2 were not nested, we compared them using AIC. The AIC for Model 1 was 651.8 and for Model 2 635.4, indicating that Model 2 had the better fit. Similar comparison was conducted for conditional Models 2 and 6. The comparison of AIC for Model 2 and 6 indicates that Model 6 fit better than Model 2 (617.7 for Model 6). From model comparison, the hurdle models (Models 1-4) did not find significant evidence of zero inflation. An ordinary negative binomial GLMM seems sufficient for this data set.

Table 8 presents maximum likelihood estimates of marginal mean parameters for negative binomial GLMM. The overdispersion parameter ($\hat{\nu} = 0.445$, p-value= 0.008) was significant. This indicated that the New Orleans murder data were overdispersed. The estimate for $\sigma$ was $\hat{\sigma} = 1.666$ (p-value< 0.001). This indicated the census tract/police zone variation in the mean rate of murder. The coefficient of Pro15to24 (5.540, p-value= 0.0027), and cubic (-58.001, p-value= 0.0032) terms of year were also significant. This indicated that murder rate trend was cubic in years and explained the dramatic change in murder rates in the 1970s.
a function of covariates directly. As a result, the interpretation of the regression coefficients in two marginal components does not depend on the specification of the dependence model. Two-part random effects, which have a binary component and a truncated Poisson or negative binomial component, are used to explain the serial dependence of responses and covariance of responses at the same time. Parameter estimation was based on maximum likelihood using a Quasi-Newton algorithm. To evaluate the marginalized likelihood, we used Gauss-Hermite quadrature to evaluate integrations. Gauss-Hermite quadrature is commonly used for low dimensional random effects models such as random intercept models. However, a major disadvantage of the Gauss-Hermite quadrature is that the number of quadrature points increases as an exponential function of the number of dimensions. As an alternative, Monte Carlo methods are often used for models with higher-dimensional integrals and use randomly sampled points to approximate the integrals.

Although two data sets had many zeros in Section 4, hurdle models worked in the pharmaceutical data but not in the New Orleans murder data. We know that a high percentage of zeros does not disqualify Poisson or negative binomial models. The pharmaceutical data analysis provided that the estimated probability of side effects for occurrence increased in treatment 2 and the estimated mean of side effect number increased by the time. In the New Orleans murder data, our analysis provided sociologically meaningful contributions that predict murder rates in New Orleans. The estimated rate of murder increased by the proportion of people in the age group 15 to 24.

We can extend marginalized hurdle models to allow multivariate zero-inflated clustered count data. These are on-going works.

Acknowledgments

We would like to thank Kelly Frailing, Institute of Criminology, Cambridge University, U.K. for comments on an earlier draft of the paper. The authors gratefully acknowledge the editor and two referees for insightful comments that have greatly improved the manuscript. This research was supported by the KIEST (Grant No. 091-091089) and Arkansas Biosciences Institute (ABI).

APPENDIX A: Calculations for Estimation of MPH Models

Detailed Calculations of $\Delta$

Given $\gamma$, $\beta$, and $\sigma$, we calculate $\Delta_{it1}$ and $\Delta_{it2}$ from the relationship (8) and (9) using a Newton-Raphson. Let

$$h_1(\Delta_{it1}) = \int P_{it}^c(b_{it1}) f(b_{it1}) db_{it1} - P_{itM},$$

$$h_2(\Delta_{it}) = \int p_{it}^c(b_{it1}) \frac{\lambda_{it}^c(b_{it2})}{1 - e^{-\lambda_{it}^c(b_{it2})}} f(b_{it1}) db_{it1} - P_{itM} \frac{\lambda_{itM}}{1 - e^{-\lambda_{itM}}}.$$

Estimates of $\Delta_{it1}$ and $\Delta_{it2}$ satisfy $(h_1(\Delta_{it1}), h_2(\Delta_{it})) = (0, 0)$ and can be obtained using Newton-Raphson as follows

$$\begin{pmatrix} \Delta_{it1}^{(c+1)} \\ \Delta_{it2}^{(c+1)} \end{pmatrix} = \begin{pmatrix} \Delta_{it1}^{(c)} \\ \Delta_{it2}^{(c)} \end{pmatrix} - \begin{pmatrix} \frac{\partial h_1(\Delta_{it1})}{\partial \Delta_{it1}} & \frac{\partial h_1(\Delta_{it1})}{\partial \Delta_{it2}} \\ \frac{\partial h_2(\Delta_{it1})}{\partial \Delta_{it1}} & \frac{\partial h_2(\Delta_{it1})}{\partial \Delta_{it2}} \end{pmatrix}^{-1} \begin{pmatrix} h_1(\Delta_{it1}) \\ h_2(\Delta_{it}) \end{pmatrix}.$$
The forms of the derivatives for Quasi-Newton algorithm are

\[
\frac{\partial h_1(\Delta_{it1})}{\partial \Delta_{it1}} = \int P_c^c(b_{it1})(1 - P_c^c(b_{it1})) f(b_{it1}) db_{it1},
\]

(14)

\[
\frac{\partial h_1(\Delta_{it1})}{\partial \Delta_{it2}} = 0,
\]

\[
\frac{\partial h_2(\Delta_{it1})}{\partial \Delta_{it1}} = \int p_{it1}^c(b_{it1})(1 - p_{it1}^c(b_{it1})) \frac{\lambda_{it1}(b_{it2})}{1 - e^{-\lambda_{it2}(b_{it2})}} f(b_{it1}) db_{it1},
\]

(15)

\[
\frac{\partial h_2(\Delta_{it1})}{\partial \Delta_{it2}} = \int p_{it1}^c(b_{it1}) \frac{\lambda_{it1}(b_{it2})}{1 - e^{-\lambda_{it2}(b_{it2})}} \left(1 - \frac{\lambda_{it1}(b_{it2}) e^{-\lambda_{it2}(b_{it2})}}{1 - e^{-\lambda_{it2}(b_{it2})}}\right) f(b_{it1}) db_{it1},
\]

(16)

To calculate the integrals in (14)-(16), we use Gauss-Hermite quadrature to evaluate this integrals.

**Detailed Calculations of Quasi-Newton**

The contribution of subject \( i \) to the log likelihood is given by

\[
\log L(\theta; y_i) = \log \int L(\theta, z_i; y_i) \phi(z_i) dz_i,
\]

where

\[
L(\theta, z_i; y_i) = \exp \left[ \sum_{t=1}^{n_i} (1 - I(y_{it} = 0))(\Delta_{it1} + s_{11} z_{it}) - \sum_{t=1}^{n_i} \log \left(1 + e^{\Delta_{it1} + s_{11} z_{it}}\right) \right. \\
+ \sum_{t=1}^{n_i} (1 - I(y_{it} = 0)) \left\{ -\lambda_{it}(z_i) + y_{it} \log \lambda_{it}(z_i) - \log(y_{it}) - \log \left(1 - e^{-\lambda_{it}(z_i)}\right) \right\}.
\]

The forms of the derivatives for Quasi-Newton algorithm are

\[
\frac{\partial \log L}{\partial \gamma} = \sum_{i=1}^{N} L(\theta; y_i)^{-1} \int L(\theta, z_i; y_i) \left\{ \sum_{t=1}^{n_i} (u_{it} - p_{it1}^c(z_i)) \frac{\partial \Delta_{it1}}{\partial \gamma} + \sum_{t=1}^{n_i} u_{it} \left(y_{it} - \frac{\lambda_{it1}(z_i)}{1 - e^{-\lambda_{it1}(z_i)}}\right) \frac{\partial \Delta_{it1}}{\partial \gamma} \right\} \phi(z_i) dz_i,
\]

\[
\frac{\partial \log L}{\partial \beta} = \sum_{i=1}^{N} L(\theta; y_i)^{-1} \int L(\theta, z_i; y_i) \left\{ \sum_{t=1}^{n_i} u_{it} \left(y_{it} - \frac{\lambda_{it1}(z_i)}{1 - e^{-\lambda_{it1}(z_i)}}\right) \frac{\partial \Delta_{it2}}{\partial \beta} \right\} \phi(z_i) dz_i,
\]

\[
\frac{\partial \log L}{\partial s_{11}} = \sum_{i=1}^{N} L(\theta; y_i)^{-1} \int L(\theta, z_i; y_i) \left\{ \sum_{t=1}^{n_i} (u_{it} - p_{it1}^c(z_i)) \frac{\partial \Delta_{it1}}{\partial s_{11}} + z_{it} \right\} \\
+ \sum_{t=1}^{n_i} u_{it} \left(y_{it} - \frac{\lambda_{it1}(z_i)}{1 - e^{-\lambda_{it1}(z_i)}}\right) \frac{\partial \Delta_{it2}}{\partial s_{11}} \right\} \phi(z_i) dz_i,
\]

\[
\frac{\partial \log L}{\partial s_{21}} = \sum_{i=1}^{N} L(\theta; y_i)^{-1} \int L(\theta, z_i; y_i) \left\{ \sum_{t=1}^{n_i} u_{it} \left(y_{it} - \frac{\lambda_{it1}(z_i)}{1 - e^{-\lambda_{it1}(z_i)}}\right) \left(\frac{\partial \Delta_{it2}}{\partial s_{21}} + \frac{b_{21}}{s_{21}}\right) \right\} \phi(z_i) dz_i,
\]

\[
\frac{\partial \log L}{\partial s_{22}} = \sum_{i=1}^{N} L(\theta; y_i)^{-1} \int L(\theta, z_i; y_i) \left\{ \sum_{t=1}^{n_i} u_{it} \left(y_{it} - \frac{\lambda_{it1}(z_i)}{1 - e^{-\lambda_{it1}(z_i)}}\right) \left(\frac{\partial \Delta_{it2}}{\partial s_{22}} + \frac{b_{22}}{s_{22}}\right) \right\} \phi(z_i) dz_i,
\]
where \( u_{it} = 1 \) if \( y_{it} > 0; = 0 \) if \( y_{it} = 0 \), \( L(\theta, z_i | y_i) \) is given by (13). The integrals are estimated using Gauss-Hermite quadrature.

To make the derivatives simpler, (8) and (9) can be reexpressed as

\[
p_{it}^M = \int p_i^c(s_{i1}z_i)|\phi(z_i)dz_i,
\]

\[
p_{it}^M \frac{\lambda_{it}^M}{1 - e^{-\lambda_{it}^M}} = \int p_i^c(z_i) \frac{\lambda_{it}^c(s_{i2}^Tz_i)}{1 - e^{-\lambda_{it}^c(s_{i2}^Tz_i)}} \phi(z_i)dz_i,
\]

where \( s_{i2}^T = (s_{21}, s_{22}) \), \( z_i^T = (z_{i1}, z_{i2}) \) is a random vector with the standard normal distribution, and \( \phi(\cdot) \) is the standard normal density function. Note that the integrals in (17) and (18) are one dimensional. To compute the score vector and information matrix, we also need derivatives of \( \Delta_{it} \) with respect to \( \gamma \), \( \beta \), and \( s \). They can be obtained from the relationships (17) and (18)

\[
\frac{\partial p_{it}^M}{\partial \gamma} = \int \frac{\partial p_i^c(s_{i1}z_i)}{\partial \Delta_{it1}} \frac{\partial \Delta_{it1}}{\partial \gamma} \phi(z_i)dz_i,
\]

\[
\Rightarrow \frac{\partial \Delta_{it1}}{\partial \gamma} = \int \frac{\partial p_i^c(s_{i1}z_i)}{\partial \Delta_{it1}} \phi(z_i)dz_i.
\]

Similarly, we have

\[
\frac{\partial \Delta_{it2}}{\partial \gamma} = \frac{\partial p_{it}^M}{\partial \gamma} \nu_{it}^M - \frac{\partial \Delta_{it1}}{\partial \gamma} \int p_i^c(s_{i1}z_i)(1 - p_{it}^c(s_{i1}z_i))\nu_{it}^c(s_{i2}^Tz_i)\phi(z_i)dz_i,
\]

\[
\frac{\partial \Delta_{it2}}{\partial \beta} = \int p_i^c(s_{i1}z_i)\nu_{it}^c(s_{i2}^Tz_i)(1 - \nu_{it}^c(s_{i2}^Tz_i)e^{-\lambda_{it}^c(s_{i2}^Tz_i)}) \phi(z_i)dz_i,
\]

\[
\frac{\partial \Delta_{it1}}{\partial s_{i1}} = \int p_i^c(s_{i1}z_i)(1 - p_{it}^c(s_{i1}z_i))z_i\phi(z_i)dz_i,
\]

\[
\frac{\partial \Delta_{it2}}{\partial s_{i1}} = -\int p_i^c(s_{i1}z_i)(1 - p_{it}^c(s_{i1}z_i)) \left( \frac{\partial \Delta_{it1}}{\partial s_{i1}} + z_i \right) \nu_{it}^c(s_{i2}^Tz_i)\phi(z_i)dz_i,
\]

\[
\frac{\partial \Delta_{it2}}{\partial s_{21}} = -\int p_i^c(s_{i1}z_i)\nu_{it}^c(s_{i2}^Tz_i)(1 - \nu_{it}^c(s_{i2}^Tz_i)e^{-\lambda_{it}^c(s_{i2}^Tz_i)}) z_i\phi(z_i)dz_i,
\]

\[
\frac{\partial \Delta_{it2}}{\partial s_{22}} = -\int p_i^c(s_{i1}z_i)\nu_{it}^c(s_{i2}^Tz_i)(1 - \nu_{it}^c(s_{i2}^Tz_i)e^{-\lambda_{it}^c(s_{i2}^Tz_i)}) z_i\phi(z_i)dz_i,
\]

where

\[\nu_{it}^M = \frac{\lambda_{it}^M}{1 - e^{-\lambda_{it}^M}},\]

\[\nu_{it}^c(s_{i2}^Tz_i) = \frac{\lambda_{it}^c(s_{i2}^Tz_i)}{1 - e^{-\lambda_{it}^c(s_{i2}^Tz_i)}}.\]
APPENDIX B: Calculations for Estimation of MNBH Models

**Detailed Calculations of \( \Delta_{it} \)**

Given \( \gamma, \beta \) and \( \sigma \), we calculate \( \Delta_{it1} \) and \( \Delta_{it2} \) from the relationships (10) and (11) using a Newton-Raphson. Let

\[
\begin{align*}
&h_3(\Delta_{it1}) = \int q_{it}^c(b_{i1}) f(b_{i1}) db_{i1} - q_{it}^M, \\
&h_4(\Delta_{it2}) = \int q_{it}^c(b_{i1}) \left( \frac{\mu_{it}^c(b_{i2})}{1 - \left( \frac{1}{1 + \nu \mu_{it}^c(b_{i2})} \right)^{\nu-1}} \right) f(b_{i2}) db_{i2} - q_{it}^M \frac{\mu_{it}^M}{1 - \left( \frac{1}{1 + \nu \mu_{it}^M} \right)^{\nu-1}}.
\end{align*}
\]

Estimates of \( \Delta_{it1} \) and \( \Delta_{it2} \) satisfies \((h_3(\Delta_{it1}), h_4(\Delta_{it2})) = (0, 0)\) and can be obtained using Newton-Raphson as follows

\[
\begin{pmatrix}
\Delta_{it1}^{(c+1)} \\
\Delta_{it2}^{(c+1)}
\end{pmatrix} = \begin{pmatrix}
\Delta_{it1}^{(c)} \\
\Delta_{it2}^{(c)}
\end{pmatrix} - \begin{pmatrix}
\frac{\partial h_3(\Delta_{it1})}{\partial \Delta_{it1}} & \frac{\partial h_3(\Delta_{it1})}{\partial \Delta_{it2}} \\
\frac{\partial h_4(\Delta_{it1})}{\partial \Delta_{it1}} & \frac{\partial h_4(\Delta_{it1})}{\partial \Delta_{it2}} \\
\end{pmatrix}^{-1} \begin{pmatrix}
h_3(\Delta_{it1}^{(c)}) \\
h_4(\Delta_{it1}^{(c)})
\end{pmatrix}
\]

where

\[
\begin{align*}
\frac{\partial h_3(\Delta_{it1})}{\partial \Delta_{it1}} &= \int q_{it}^c(b_{i1}) (1 - q_{it}^c(b_{i1})) f(b_{i1}) db_{i1}, \\
\frac{\partial h_3(\Delta_{it1})}{\partial \Delta_{it2}} &= 0, \\
\frac{\partial h_4(\Delta_{it1})}{\partial \Delta_{it1}} &= \int q_{it}^c(b_{i1}) (1 - q_{it}^c(b_{i1})) \left( \frac{\mu_{it}^c(b_{i2})}{1 - (1 + \nu \mu_{it}^c(b_{i2}))^{\nu-1}} \right) f(b_{i2}) db_{i2}, \\
\frac{\partial h_4(\Delta_{it1})}{\partial \Delta_{it2}} &= \int q_{it}^c(b_{i1}) \frac{\mu_{it}^c(b_{i2})}{1 - (1 + \nu \mu_{it}^c(b_{i2}))^{\nu-1}} \left( 1 - \frac{\mu_{it}^c(b_{i2}) (1 + \nu \mu_{it}^c(b_{i2}))^{\nu-1}}{1 - (1 + \nu \mu_{it}^c(b_{i2}))^{\nu-1}} \right) f(b_{i2}) db_{i2}.
\end{align*}
\]

**Detailed Calculations of Quasi-Newton**

Let \( \psi = (\gamma, \beta, s, \nu) \). Then the contribution of subject \( i \) to the log likelihood is given by

\[
\log L(\psi; y_i) = \log \int L(\psi, z_i; y_i) \phi(z_i) dz_i,
\]

where

\[
L(\psi, z_i; y_i) = \exp \left[ \sum_{t=1}^{n_i} (1 - I(y_{it1}=0)) (\Delta_{it1} + s_{i1}z_{i1}) - \sum_{t=1}^{n_i} \log \left( 1 + e^{\Delta_{it1} + s_{i1}z_{i1}} \right) \\
+ \sum_{t=1}^{n_i} (1 - I(y_{it1}=0)) \left\{ \sum_{l=0}^{y_{it1}-1} \log(1 + \nu l) + y_{it1} \log \mu^c_{it}(b_{i2}) - (y_{it1} + \nu^{-1}) \log(1 + \nu \mu^c_{it}(b_{i2})) \\
- \log(y_{it1}) - \log \left( 1 - (1 + \nu \mu^c_{it}(b_{i2}))^{-\nu^{-1}} \right) \right\} \right].
\]
The forms of the derivatives for Quasi-Newton algorithm are

\[
\frac{\partial \log L}{\partial \gamma} = \sum_{i=1}^{N} L(\psi; y_i)^{-1} \int L(\psi, z_i; y_i) \left[ \sum_{t=1}^{n_i} \left( u_{it} - q_{it}^{c}(z_i) \right) \frac{\partial \Delta_{it1}}{\partial \gamma} + \sum_{t=1}^{n_i} u_{it} \left( y_{it} - \frac{\mu_{it}^{c}(z_i)}{1 - \nu \mu_{it}^{c}(z_i)^{-\nu}} \right) \right] \frac{1}{1 + \nu \mu_{it}^{c}(z_i)} \frac{\partial \Delta_{it2}}{\partial \gamma} \phi(z_i)dz_i,
\]

\[
\frac{\partial \log L}{\partial \beta} = \sum_{i=1}^{N} L(\psi; y_i)^{-1} \int L(\psi, z_i; y_i) \left[ \sum_{t=1}^{n_i} \left( u_{it} - q_{it}^{c}(z_i) \right) \frac{\partial \Delta_{it1}}{\partial \beta} \right] \frac{1}{1 + \nu \mu_{it}^{c}(z_i)} \frac{\partial \Delta_{it2}}{\partial \beta} \phi(z_i)dz_i,
\]

\[
\frac{\partial \log L}{\partial s_{11}} = \sum_{i=1}^{N} L(\psi; y_i)^{-1} \int L(\psi, z_i; y_i) \left[ \sum_{t=1}^{n_i} \left( u_{it} - q_{it}^{c}(z_i) \right) \frac{\partial \Delta_{it1}}{\partial s_{11}} + z_i \right] \frac{1}{1 + \nu \mu_{it}^{c}(z_i)} \frac{\partial \Delta_{it2}}{\partial s_{11}} \phi(z_i)dz_i,
\]

\[
\frac{\partial \log L}{\partial s_{21}} = \sum_{i=1}^{N} L(\psi; y_i)^{-1} \int L(\psi, z_i; y_i) \left[ \sum_{t=1}^{n_i} \left( u_{it} - q_{it}^{c}(z_i) \right) \frac{\partial \Delta_{it1}}{\partial s_{21}} \right] \frac{1}{1 + \nu \mu_{it}^{c}(z_i)} \frac{\partial \Delta_{it2}}{\partial s_{21}} \phi(z_i)dz_i,
\]

\[
\frac{\partial \log L}{\partial s_{22}} = \sum_{i=1}^{N} L(\psi; y_i)^{-1} \int L(\psi, z_i; y_i) \left[ \sum_{t=1}^{n_i} \left( u_{it} - q_{it}^{c}(z_i) \right) \frac{\partial \Delta_{it1}}{\partial s_{22}} + z_i \right] \frac{1}{1 + \nu \mu_{it}^{c}(z_i)} \frac{\partial \Delta_{it2}}{\partial s_{22}} \phi(z_i)dz_i,
\]

\[
\frac{\partial \log L}{\partial \nu} = \sum_{i=1}^{N} L(\psi; y_i)^{-1} \int L(\psi, z_i; y_i) \left[ \sum_{t=1}^{n_i} \left( u_{it} - q_{it}^{c}(z_i) \right) \frac{\partial \Delta_{it1}}{\partial \nu} + \frac{1}{\nu^{1/2}} \log (1 + \nu \mu_{it}^{c}(z_i)) + \frac{1}{1 - (1 + \nu \mu_{it}^{c}(z_i))^{-\nu}} \left\{ \nu^{-2} (1 + \nu \mu_{it}^{c}(z_i))^{-\nu} \log (1 + \nu \mu_{it}^{c}(z_i)) \right. \right. \\
\left. \left. - (1 + \nu \mu_{it}^{c}(z_i))^{-\nu-1} \left( \nu^{-1} \mu_{it}^{c}(z_i) + \mu_{it}^{c}(z_i) \frac{\partial \Delta_{it2}}{\partial \nu} \right) \right\} \right] \phi(z_i)dz_i,
\]

where \( u_{it} = 1 \) if \( y_{it} > 0; = 0 \) if \( y_{it} = 0 \).

To make the derivatives simpler, (8) and (9) can be reexpressed as

\[
q_{it}^{M} = \int q_{it}^{c}(s_{11} z_i) \phi(z_i)dz_i,
\]

\[
q_{it}^{M} \frac{\mu_{it}^{M}}{1 - \left( \frac{1}{1 + \nu \mu_{it}^{c}(z_i)} \right)^{-\nu}} = \int q_{it}^{c}(s_{11} z_i) \frac{\mu_{it}^{c}(s_{21}^{T} z_i)}{1 - \left( \frac{1}{1 + \nu \mu_{it}^{c}(z_i)} \right)^{-\nu}} \phi(z_i)dz_i,
\]

where \( z_i \) is a random variable with the standard normal distribution, and \( \phi(\cdot) \)'s in (22) and (23) are the univariate and bivariate standard normal density functions, respectively. Note that the integral in (22) and (23) are respectively one and two dimensional. To compute the score vector and information matrix, we also need derivatives of \( \Delta_{it1} \) with respect to \( \gamma \) and \( s_{11} \), and \( \Delta_{it2} \) with respect to \( \gamma, \beta, \nu, s_{11}, s_{21} \), and \( s_{22} \). The derivatives of \( \Delta_{it1} \) are calculated in (19) and (20) by replacing \( p_{it}^{c} \) with \( p_{it}^{c} \) and \( p_{it}^{M} \) with \( q_{it}^{c} \) and \( q_{it}^{M} \). The
where
\[
\frac{\partial \Delta_{it2}}{\partial \beta} = \int q_{it}^c(s_{11} z_i) \tau_{it}^c(s_{21} z_i) \left( 1 - \tau_{it}^c(s_{21} z_i) (1 + \nu \mu_{it}^c(s_{21} z_i)) \right) \phi(z_i) d z_i,
\]
\[
\frac{\partial \Delta_{it2}}{\partial \gamma} = \int q_{it}^c(s_{11} z_i) \tau_{it}^c(s_{11} z_i) \left( 1 - \tau_{it}^c(s_{11} z_i) (1 + \nu \mu_{it}^c(s_{11} z_i)) \right) \phi(z_i) d z_i,
\]
\[
\frac{\partial \Delta_{it2}}{\partial \nu} = \int q_{it}^c(s_{11} z_i) \tau_{it}^c(s_{11} z_i) \left( 1 - \tau_{it}^c(s_{11} z_i) (1 + \nu \mu_{it}^c(s_{11} z_i)) \right) \phi(z_i) d z_i,
\]
\[
\frac{\partial \Delta_{it2}}{\partial s_{11}} = -\int q_{it}^c(s_{11} z_i) \tau_{it}^c(s_{11} z_i) \left( 1 - \tau_{it}^c(s_{11} z_i) (1 + \nu \mu_{it}^c(s_{11} z_i)) \right) \phi(z_i) d z_i,
\]
\[
\frac{\partial \Delta_{it2}}{\partial s_{21}} = -\int q_{it}^c(s_{11} z_i) \tau_{it}^c(s_{21} z_i) \left( 1 - \tau_{it}^c(s_{21} z_i) (1 + \nu \mu_{it}^c(s_{21} z_i)) \right) \phi(z_i) d z_i,
\]
\[
\frac{\partial \Delta_{it2}}{\partial s_{22}} = -\int q_{it}^c(s_{11} z_i) \tau_{it}^c(s_{22} z_i) \left( 1 - \tau_{it}^c(s_{22} z_i) (1 + \nu \mu_{it}^c(s_{22} z_i)) \right) \phi(z_i) d z_i.
\]

where
\[
\tau_{it}^M = \frac{\mu_{it}^M}{1 - (1 + \nu \mu_{it}^M)^{-\nu^{-1}}},
\]
\[
\tau_{it}^c(s_{2i} z_i) = \frac{\mu_{it}^c(s_{2i} z_i)}{1 - (1 + \nu \mu_{it}^c(s_{2i} z_i))^{-\nu^{-1}}},
\]
\[
A = q_{it}^c \tau_{it}^M \left( 1 + \nu \mu_{it}^c \right)^{-\nu^{-1}} \frac{1}{\nu} \left\{ \frac{1}{\nu} \log \left( 1 + \nu \mu_{it}^c \right) \right\} - \tau_{it}^M \left( 1 + \nu \mu_{it}^M \right)^{-1},
\]
\[
B = \int q_{it}^c(s_{11} z_i) \tau_{it}^c(s_{21} z_i) \left( 1 + \nu \mu_{it}^c(s_{21} z_i) \right)^{-\nu^{-1}} \frac{1}{\nu} \left\{ \frac{1}{\nu} \log \left( 1 + \nu \mu_{it}^c(s_{21} z_i) \right) \right\} - \tau_{it}^c \left( 1 + \nu \mu_{it}^c(s_{21} z_i) \right)^{-1} \phi(z_i) d z_i.
\]

References


