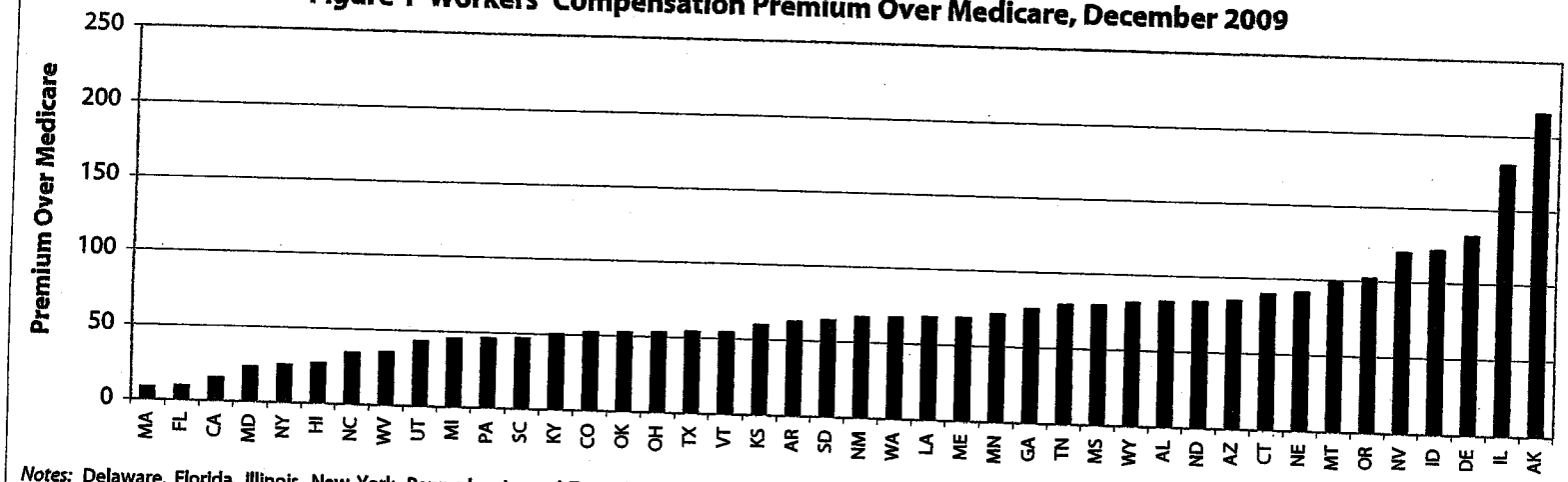
EXHIBIT 8
DATE 1/21/2011
HB

Figure 1 Workers' Compensation Premium Over Medicare, December 2009



Notes: Delaware, Florida, Illinois, New York, Pennsylvania, and Texas have distinct fee schedules for different parts of the state. For each, a single statewide rate was created by averaging the different sub-state fee schedules using the percentage of employed persons in each sub-state region as weights. Medicare establishes distinct sub-state fee schedules in 14 states. For each, a single statewide rate was created using the same procedure. Texas sets a unique conversion factor for surgery in a facility setting. The unique "surgery in a facility setting" conversion factor was applied to the major surgery service group while the "surgery in an office setting" conversion factor was applied to the surgical treatment service group. Ohio does not establish rates for the emergency services included in the marketbasket. For Ohio the overall rate is based on the fee schedule levels for the other seven service groups. Rhode Island has different billing codes for physical medicine and does not establish rates for the majority of the codes. An overall rate is not established for Rhode Island as physical medicine is the largest component of the marketbasket and excluding it significantly biases the results. For more detail see the technical appendix. West Virginia sets the workers' compensation fee schedule to be 135 percent of Medicare using rounded fully implemented relative value units (RVUs). In 2009 Medicare was still using transitional RVUs, and Medicare does not round during the calculation. The result of these differences is that the 2009 workers' compensation premium over Medicare in West Virginia is not exactly 35 percent.

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