



Year	APM Conversion Factor	% Change	Non-APM Conversion Factor	% Change	Anesthesia APM Conversion Factor	% Change	Anesthesia Non-APM Conversion Factor	% Change
2026	\$33.5675	3.77%	\$33.4009	3.26%	\$20.5998	1.39%	\$20.4976	0.88%

For the first time this century, CMS finalized four conversion factors for 2026. The conversion factors reflect two different, small permanent updates to the baseline beginning January 1, 2026, as required under the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015. Under MACRA, physicians who are qualifying participants (QPs) in advanced alternative payment models (APMs) will receive a somewhat higher conversion factor update and, thus, higher Medicare payments in 2026 compared to physicians who are not QPs. Each conversion factor also reflects the temporary, one-year 2.5 percent update enacted in H.R. 1.

Additionally, the conversion factors are affected by a positive .49 percent budget neutrality adjustment resulting from misvalued code changes and a -2.5 percent “efficiency adjustment.” Although AMA comments raised several questions about the proposed efficiency adjustment and recommended alternative approaches to achieve CMS’ objectives, CMS will apply the negative adjustment to work relative value units (RVUs) and the corresponding intra-service portion of physician time of non-time-based services that CMS believes accrue gains in efficiency over time. CMS will exempt new codes in 2026. This efficiency adjustment impacts most surgical specialties, radiology, and pathology by reducing their overall payment.