



History of Medicare Conversion Factors

Year	Conversion Factor	% Change	Primary Care Conversion Factor	% Change	Surgical Conversion Factor	% Change	Other Nonsurgical Conversion Factor	% Change
1992	\$31.0010		N/A		N/A		N/A	
1993	N/A				\$31.9620		\$31.2490	
1994	N/A		\$33.7180		\$35.1580	10.0	\$32.9050	5.3
1995	N/A		\$36.3820	7.9	\$39.4470	12.2	\$34.6160	5.2
1996	N/A		\$35.4173	-2.7	\$40.7986	3.4	\$34.6293	0.0
1997	N/A		\$35.7671	1.0	\$40.9603	0.4	\$33.8454	-2.3
1998	\$36.6873		<p><i>Initially, the Medicare Physician Payment Schedule (PFS) included distinct conversion factors for various categories of services. In 1998, a single conversion factor was implemented. The reduction in the 1999 conversion factor was offset by elimination of the work adjustor from the first Five-Year Review and increases in the practice expense and PLI RVUs. The reduction in the 2009 conversion factor was offset by elimination of the work adjustor from the third Five-Year Review. The reduction in the 2011 conversion factor was offset by increases to the practice expense and PLI RVUs resulting from the rescaling of those RVU pools to match the revised MEI weights. The 2014 conversion factor update included a budget-neutrality increase to offset decreases to the practice expense and PLI RVUs, which resulted from the rescaling of the RVU pools to match the revised MEI weights. For a number of years, the conversion factor was minimally changed to reflect budget neutrality. In 2021, the budget neutrality reduction was more significant to reflect the increases in valuation of the Evaluation & Management (E/M) office visit codes. The reduction seen in 2023 was largely a result of the expiration of a 3% increase by Congress to the conversion factor at the end of calendar year 2022 and approximately 1.6 percent decrease due to budget neutrality requirements from further E/M changes including hospital visits, emergency department visits, home visits and nursing facility visits. In response to concerted advocacy by organized medicine, the Consolidated Appropriations Act of 2023 reduced an anticipated 4.5% cut to Medicare physician payment by increasing the 2023 conversion factor by 2.5% therefore reducing the cut to 2%.</i></p> <p><i>For 2024, a 3.37 percent cut went into effect when the Medicare CF was reduced from \$33.8872 to \$32.7442. This cut resulted from a -1.25 percent reduction in the temporary update to the conversion factor under current law and a negative budget neutrality adjustment stemming in large part from the adoption of an office visit add-on code. On March 9, 2024, the Consolidated Appropriations Act, 2024, was signed which included an update to the 2024 conversion factor that offset a portion of the 3.37 percent cut that went into effect on January 1, 2024. Therefore, the 2024 conversion factor for dates of service January 1 through March 8, 2024, was \$32.74 while CMS established a new conversion factor of \$33.2875 for dates of service March 9 – December 31.</i></p>					
1999	\$34.7315	-5.3						
2000	\$36.6137	5.4						
2001	\$38.2581	4.5						
2002	\$36.1992	-5.4						
2003	\$36.7856	1.6						
2004	\$37.3374	1.5						
2005	\$37.8975	1.5						
2006	\$37.8975	0.0						
2007	\$37.8975	0.0						
2008	\$38.0870	0.5						
2009	\$36.0666	-5.3						
1/1/10 – 5/31/10	\$36.0791	0.03						
6/1/10 – 12/31/10	\$36.8729	2.2						
2011	\$33.9764	-7.9						
2012	\$34.0376	0.18						
2013	\$34.0230	-0.04						
2014	\$35.8228	5.3						
1/1/15 – 6/30/15	\$35.7547	-0.19						
7/1/15 – 12/31/15	\$35.9335	0.50						
2016	\$35.8043	-0.36						
2017	\$35.8887	0.24						
2018	\$35.9996	0.31						
2019	\$36.0391	0.11						
2020	\$36.0896	0.14						
2021	\$34.8931	-3.3						
2022	\$34.6062	-0.80						
2023	\$33.8872	-2						
1/1/24 – 3/8/24	\$32.7442	-3.37						
3/9/24 – 12/31/24	\$33.2875	1.66						