

## Conversion Factor

The conversion factor is a dollar figure that converts the geographically adjusted relative value for a service into a dollar payment amount. Annual updates to the cost of Medicare services and a “cap” on growth is incorporated as the conversion factor.

2001 Medicare conversion factor:	\$38.2581
2002 Medicare conversion factor:	\$36.1992
2003 Medicare conversion factor:	\$36.7856
2004 Medicare conversion factor:	\$37.3374
2005 Medicare conversion factor:	\$37.8975
2006 Medicare conversion factor:	\$37.8975
2007 Medicare conversion factor:	\$37.8975
2008 Jan 1 – June 30	: \$38.0870
2008 July 1 – Dec 31	: \$34.0682
2009 Est. conversion factor	: \$32.2285