

Changes in conversion factors in the Minnesota workers' compensation relative value fee schedule effective October 1, 2025 [a]

This table relates to the change from the "2022 fee schedule" (relative value units [RVUs] and associated payment rules effective October 1, 2022) to the "2025 fee schedule" (RVUs and associated payment rules effective October 1, 2025).

Service group	10/1/2024 conversion factor [1]	Payment-neutral adjustment of conversion factor under change from 2022 fee schedule to 2025 fee schedule [a] [2]	Conversion factor adjusted for payment- neutrality [b] [3]	Annual conversion factor adjustment [c] PPI-P [4]	Final 10/1/2025 conversion factor [d] [5]
Medical/surgical	\$67.52	-2.20%	\$66.03	1.90%	\$67.29
Path/lab	\$61.39	-4.23%	\$58.79	1.90%	\$59.91
Physical medicine	\$60.64	-1.98%	\$59.44	1.90%	\$60.56
Chiropractic	\$52.54	-2.59%	\$51.18	1.90%	\$52.15

- a. Minn. Stat. § 176.136, subd. 1a (c) (2). Computed from a 20-percent sample of workers' compensation medical services and charges from the Minnesota workers' compensation medical data call, provided to DLI by the Minnesota Workers' Compensation Insurers Association (MWCIA). Service dates November 2022 through October 2024 were used because this was the latest 24-month period with reasonably complete data. A 24-month period was used to reduce sampling variation.
- b. Results from applying col. 2 to col. 1.
- c. The amount shown is the percent change in the Producer Price Index for Offices of Physicians (PPI-P). (U.S. Bureau of Labor Statistics, <https://www.bls.gov/ppi/data.htm>.) Under statute, it may be any amount that does not exceed the percent change in the Statewide Average Weekly Wage (SAWW) for the year concerned. Minn. Stat. § 176.136, subd. 1a (c) (1). The SAWW increase effective October 1, 2025 is 3.72 percent.
- d. Results from applying col. 4 to col. 3.

Minnesota Department of Labor and Industry, Research and Data Analytics, July 10, 2025.

Adjustments of the conversion factors in the Minnesota workers' compensation relative value fee schedule

Minnesota Department of Labor and Industry, Research and Data Analytics July 10, 2025

Minnesota Statutes, section 176.136, subdivision 1a, provides that at least once every three years, the Department of Labor and Industry (DLI) must update the Minnesota workers' compensation relative value fee schedule tables by incorporating by reference the relative value tables in the national physician fee schedule relative value file by the Centers for Medicare and Medicaid Services. It further mandates that when new tables are incorporated by reference, the physician fee schedule conversion factors (CFs) must be adjusted so that for each of the four service groups, total reimbursements will be the same under the new schedule as under the one being replaced, for services covered by both the old and new schedules. This is in addition to the annual required "inflation" adjustment in the CFs otherwise required by statute.¹

To determine the payment-neutrality adjustments for 2025, DLI used a large sample of workers' compensation medical services and charges and computed the CF changes for the four service groups that cause total fee-schedule-covered payments to be the same for each group under the new relative value tables as under the previous table (for services in both schedules).² For 2025, for example, this meant that the CFs were set so that for each service group, total payments would be the same under the 2025 fee schedule as under the 2022 schedule.

In general, when the payment-neutrality adjustment is done, each conversion factor may need to be adjusted upward or downward to achieve payment neutrality. The adjustment will be upward if total payments would decrease, holding the CF constant. The adjustment will be downward if total payments would increase, holding the CF constant.

In 2025, the payment-neutrality adjustment resulted in all four categories of CFs being adjusted downward by percentages ranging from -1.98 percent for physical medicine services to -4.23 percent for path/lab services. All CFs were adjusted downward because total payments for all four groups were estimated to increase without a CF adjustment. The CF decrease was the highest for path/lab because based on the relative value table changes, the total payments were estimated to increase the most for that group without a CF adjustment. Conversely, the CF increase was least for physical medicine services because total payments were estimated to increase the least for that group without a CF adjustment. The 2025 CFs were also adjusted for inflation after payment neutrality adjustments were applied in order to achieve the final CFs.³ As with all CF changes, an Administrative Law Judge at the Court of Administrative Hearings approved the changes.⁴

¹ Minnesota Statutes §176.136, subd. 1a (c)(2) and (d)(2).

² DLI used a 20-percent of sample workers' compensation medical services and charges from the Minnesota workers' compensation medical data call, provided to DLI by the Minnesota Workers' Compensation Insurers Association, Inc. For the 2025 adjustment, service dates November 2022 through October 2024 were used because this was the latest 24-month period with reasonably complete data. A 24-month period was used to reduce sampling variation.

³ DLI is required to adjust the conversion factors annually for inflation by no more than the increase in the statewide average weekly wage (Minnesota Statutes §176.136, subd. 1a (c)(1)). DLI currently uses the nationwide producer price index for physicians (PPI-P) for this purpose.

⁴ See www.dli.mn.gov/about-department/rulemaking/rulemaking-docket-minnesota-rules-chapter-5221-2025.

The table below shows the CFs from 2006 through 2025. The ratios change in 2010, 2013, 2016, 2019, 2022 and 2025 because of the payment-neutrality adjustments in those years (the ratios did not change much in 2025 because the payment-neutrality adjustments were relatively small). The ratios (apart from rounding) remained steady in all other years because the inflation adjustments that occurred affected all four CFs in the same proportion.

**History of conversion factors in the
Minnesota workers' compensation relative value fee schedule**

Year effective [1]	Conversion factors by service group				Ratios between conversion factors			
	Medical /surgical	Physical medicine	Chiro- practic	Pathology /laboratory	Phy. med. to med/surg	Chiro to med/surg	Path/lab to med/surg	Chiro to phy. med.
2006	76.87	66.64	55.35	64.19	0.87	0.72	0.84	0.83
2007	77.56	67.24	55.85	64.77	0.87	0.72	0.84	0.83
2008	80.74	70.00	58.14	67.43	0.87	0.72	0.84	0.83
2009	81.63	70.77	58.78	68.17	0.87	0.72	0.84	0.83
2010	67.23	52.35	53.48	39.60	0.78	0.80	0.59	1.02
2011	68.84	53.61	54.76	40.55	0.78	0.80	0.59	1.02
2012	69.87	54.41	55.58	41.16	0.78	0.80	0.59	1.02
2013	64.69	48.88	48.83	55.68	0.76	0.75	0.86	1.00
2014	64.73	48.89	48.80	55.75	0.76	0.75	0.86	1.00
2015	65.12	49.18	49.09	56.08	0.76	0.75	0.86	1.00
2016	69.48	55.57	49.34	56.70	0.80	0.71	0.82	0.89
2017	69.62	55.68	49.44	56.81	0.80	0.71	0.82	0.89
2018	69.93	55.93	49.66	57.07	0.80	0.71	0.82	0.89
2019	70.24	58.16	50.25	59.57	0.83	0.72	0.85	0.86
2020	70.86	58.68	50.70	60.10	0.83	0.72	0.85	0.86
2021	71.70	59.37	51.30	60.81	0.83	0.72	0.85	0.86
2022	66.83	60.02	52.00	60.77	0.90	0.78	0.91	0.87
2023	67.17	60.32	52.27	61.08	0.90	0.78	0.91	0.87
2024	67.52	60.64	52.54	61.39	0.90	0.78	0.91	0.87
2025	67.29	60.56	52.15	59.91	0.90	0.78	0.89	0.86

1. The conversion factors shown were in effect from October 1 of the year shown through September 30 of the following year.