CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-06 Medicare Financial Management	Centers for Medicare & Medicaid Services (CMS)
Transmittal 129	Date: JULY 13, 2007
	Change Request 5300

SUBJECT: Notice of New Interest Rate for Medicare Overpayments and Underpayments - 4th Qtr. FY 2007.

**I. SUMMARY OF CHANGES:** This change request provides a quarterly update of the interest rate for Medicare overpayments and underpayments.

NEW / REVISED MATERIAL EFFECTIVE DATE: \*July 20, 2007

IMPLEMENTATION DATE: July 20, 2007

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

# II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	Chapter / Section / Subsection / Title
N/A	

#### III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

#### **IV. ATTACHMENTS:**

### **Recurring Update Notification**

\*Unless otherwise specified, the effective date is the date of service.

# **Attachment – Recurring Update Notification**

Pub. 100-06 | Transmittal: 129 | Date: July 13, 2007 | Change Request 5300

SUBJECT: Notice of New Interest Rate for Medicare Overpayments and Underpayments –  $4^{th}$  Qtr. FY 2007

#### I. GENERAL INFORMATION

- **A. Background:** Medicare Regulation 42 CFR §405.378 provides for the assessment of interest at the higher of the current value of funds rate (four percent for calendar year 2007) or the private consumer rate as fixed by the Department of the Treasury.
- **B. Policy:** The Department of the Treasury has notified the Department of Health and Human Services that the private consumer rate has been changed to **12.625 percent**.

## II. BUSINESS REQUIREMENTS

<sup>&</sup>quot;Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)						
Tumber		FI	R H H I	C a r r i e r	D M E R C	Shared S Maintain F M I C S S		Other
5300.1	The Medicare contractors shall implement an interest rate of 12.625% effective July 20, 2007 for Medicare overpayments and underpayments.	X	X	X	X			MAC

#### III. PROVIDER EDUCATION

Requirement Number								Responsibility ("X" indicates the columns that apply)								
		F	R H	Ca	D M				m	Other						
			H	r r i e r	E R C	I	M C S	V M S	C W F							

<sup>&</sup>quot;Shall" denotes a mandatory requirement

Requirement	Requirements	Responsibility ("X" indicates the							
Number		columns that apply)							
		F I	R H H I	C a r r i e r	D M E R C	Shared Mainta F M I C S S S	iners	С	Other
	None.								

## IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

## A. Other Instructions:

X-Ref Requirement #	Instructions
5300.1	This reaffirms interest rates for prior periods:
Period	Interest Rate
February 7, 2001 – April 25, 2001	14.125%
April 26, 2001 - August 6, 2001	13.75%
August 7, 2001 – October 30, 2001	13.25%
October 31, 2001 – January 31, 2002	13.25%
February 1, 2002 – May 7, 2002	12.625%
May 8, 2002 – August 7, 2002	11.75%
August 8, 2002 – November 18, 2002	12.625%
November 19, 2002 – February 10, 2003	11.25%
February 11, 2003 – April 27, 2003	10.75%
April 28, 2003 – August 10, 2003	11.625%
August 11, 2003 – November 2, 2003	12.125%
November 3, 2003 – February 3, 2004	12.00%
February 4, 2004 – May 6, 2004	12.00%
May 7, 2004 – August 8, 2004	11.875%
August 9, 2004 – November 11, 2004	11.75%
November 12, 2004 – February 7, 2005	12.00%
February 8, 2005 – April 24, 2005	11.875%
April 25, 2005 – July 21, 2005	12.00%
July 22, 2005 – November 2, 2005	12.00%
November 3, 2005 – January 24, 2006	12.25%
January 25, 2006 – April 23, 2006	11.875%

April 24, 2006 – July 18, 2006	12.125%
July 19, 2006 – October 17, 2006	12.625%
October 18, 2006 – January 18, 2007	12.375%
January 19, 2007 – April 19, 2007	12.5%
April 20, 2007 – July 19, 2007	12.375%
July 20, 2007	12.625%

# B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting / Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

# V. SCHEDULE, CONTACTS, AND FUNDING

Implementation Date: July 20, 2007  CMS: activity	
	provided by contractor
1 ' '	ies are to be d out within their
Post-Implementation Contact(s): Tom Noplock (410) 786-3378.  FY 20 budge	07 operating ts.

stUnless otherwise specified, the effective date is the date of service.