
Program Memorandum

Intermediaries/Carriers

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal AB-00-03

Date: FEBRUARY 2000

CHANGE REQUEST 1037

SUBJECT: Notice of New Interest Rate for Medicare Overpayments and Underpayments

Medicare Regulation 42 CFR 405.378 provides for the assessment of interest at the higher of the private consumer rate (PCR) or the current value of funds (CVF) rate (5 percent) for calendar year 2000. The Secretary of the Treasury has notified the Department of Health and Human Services that the PCR has been revised to 13.5 percent. The new PCR was published in the *Federal Register* (see Vol. 65, No. 22 dated 02/02/2000).

Therefore, the new revised PCR is effective February 2, 2000, the date it was published in the *Federal Register*. It will remain in effect until a new rate change is published. Please make system changes as needed to insure the new interest rate is implemented timely. In addition this reaffirms interest rates for prior periods.

INTEREST RATE TABLE

<u>Period</u>	<u>Interest Rate</u>
October 24, 1996 - January 22, 1997	13.375%
January 23, 1997 - April 23, 1997	13.625%
April 24, 1997 - July 24, 1997	13.50%
July 25, 1997 - October 23, 1997	13.75%
October 24, 1997 - January 27, 1998	13.875%
January 28, 1998 - May 12, 1998	14.50%
May 13, 1998 - July 30, 1998	14.00 %
July 31, 1998 - October 22, 1998	13.75%
October 23, 1998 - January 31, 1999	13.50%
February 01, 1999 - May 04, 1999	13.75%
May 05, 1999 - August 03, 1999	13.375%
August 04, 1999 - October 27, 1999	13.25%
October 28, 1999 - February 1, 2000	13.375%
February 2, 2000	13.5%

These instructions should be implemented within your current operating budget.

The *effective date* for this Program Memorandum (PM) is February 2, 2000.

The *implementation date* for this PM is February 2, 2000.

This PM may be discarded April 30, 2000.

Contact person for this PM is Tom Noplock on (410) 786-3378.