CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-06 Medicare Financial Management	Centers for Medicare & Medicaid Services (CMS)
Transmittal 154	Date: July 10, 2009
	Change Request 6241

SUBJECT: Notice of New Interest Rate for Medicare Overpayments and Underpayments – Fourth Notification for FY 2009

**I. SUMMARY OF CHANGES:** This Change Request provides for the quarterly update of the interest rate for Medicare overpayments and underpayments. The attached Recurring Update Notification applies to Chapter 3, Section 10.

New / Revised Material Effective Date: July 17, 2009

Implementation Date: July 17, 2009

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:

SECTION A: For Fiscal Intermediaries and Carriers: No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

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

#### **Recurring Update Notification**

<sup>\*</sup>Unless otherwise specified, the effective date is the date of service.

# **Attachment – Recurring Update Notification**

<b>Pub. 100-06</b> Transmittal: 154	Date: July 10, 2009	Change Request: 6241
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**SUBJECT:** Notice of New Interest Rate for Medicare Overpayments and Underpayments – Fourth Notification for FY 2009.

Effective Date: July 17, 2009

**Implementation Date:** July 17, 2009

#### 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 (3 percent for calendar year 2009) 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 **11.25 percent**.

#### II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement		spons umn		ty (pl	lace a	an "I	X" in	each	app	licable
		A / B M A C	D M E M A	F I	C A R R I E	R H H I		Maint Maint C S			OTHER
6241.1	The Medicare contractors shall implement an interest rate of <b>11.25%</b> effective <b>July 17, 2009</b> for Medicare overpayments and underpayments.	X	X	X	X	X					

#### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A	D M	F	C A	R H			Syster ainers		OTHER
		B	E	1	R	H	F	M	V	С	
		M	M		R I	1	I S	C S	M S	W F	
		A C	A C		E R		S				
	None.										

### IV. SUPPORTING INFORMATION

# A. For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

Number         6241.1       This reaffirms interest rates for         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%	r 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%	i pitoi petious.
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%	
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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%	
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August 8, 2002 – November 18, 2002       12.625%         November 19, 2002 – February 10, 2003       11.25%	
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 – October 18, 2007 12.625%	
October 19, 2007 – January 17, 2008 12.5%	
January 18, 2008 – April 17, 2008 12.125%	
April 18, 2008 – July 23, 2008 11.375%	
July 24, 2008 – October 21, 2008 11.125%	
October 22, 2008 – January 22, 2009 11.375%	
January 23, 2009 – April 15, 2009 11.375%	
April 16, 2009 – July 16, 2009 11.00%	

X-Ref Requirement	Recommendations or other supporting information:
Number	
July 17, 2009	11.25%

#### Section B: For all other recommendations and supporting information, use this space: N/A

#### V. CONTACTS

**Pre-Implementation Contact(s):** Tom Noplock (410) 786-3378.

**Post-Implementation Contact(s):** Tom Noplock (410) 786-3378.

#### VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carrier:

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

#### Section B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.