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

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

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement
Number

Requirements

Responsibility ("X" indicates the columns that apply)

FI

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DMERC

Shared System

Maintainers

Other

F
I
SS

MCS

VMS

CWF

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

Requirements

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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

Effective Date*: July 20, 2007

Implementation Date: July 20, 2007

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

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

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

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