CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-06 Medicare Financial Management	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 13869	**Date: July 14, 2026**
	Change Request 14575

SUBJECT: Notice of New Interest Rate for Medicare Overpayments and Underpayments -4th Quarter Notification for FY 2026

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) provides Medicare Regulation 42 CFR Section 405.378 for the charging and payment of interest on overpayments and underpayments to Medicare providers. The Secretary of Treasury certifies an interest rate quarterly. Treasury utilizes the most comprehensive data available on consumer interest rates to determine the certified rate. Interest is assessed on delinquent debts in order to protect the Medicare Trust Funds. The attached Recurring Update Notification applies to Chapter 3, Section 10.

EFFECTIVE DATE: July 21, 2026
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: July 21, 2026

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	N/A

III. FUNDING:
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

Attachment - Recurring Update Notification

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II. GENERAL INFORMATION

A. Background: Medicare Regulation 42 CFR section 405.378 provides for the assessment of interest at the higher of the current value of funds rate (one percent for calendar year 2026) 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 **11.875% percent.**

III. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
14575.1	The Medicare contractors shall implement an interest rate of 11.875 percent effective July 21, 2026, for Medicare overpayments and underpayments.	X	X		X					

IV. PROVIDER EDUCATION

None

Impacted Contractors: None

V. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

VI. CONTACTS

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VII. FUNDING

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ATTACHMENTS: 1

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
14575.1	This reaffirms interest rates for prior periods:
Period	**Interest Rate**
October 18, 2019 – January 20, 2020	10.125%
January 21, 2020—April 19, 2020	10.25%
April 20,2020 –July 19, 2020	9.625%
July 20, 2020 –October 19, 2020	9.50%
October 20, 2020 – January 18, 2021	9.375%
January 19, 2021- April 18, 2021	9.625%
April 19, 2021-July 18, 2021	9.50%
July 19, 2021 – October 18, 2021	9.625%
October 19, 2021 –January 17, 2022	9.375%
January 18, 2022 – April 17, 2022	9.125%
April 18, 2022 – July 17, 2022	9.375%
July 18, 2022 – October 17, 2022	8.75%
October 18, 2022 – January 17, 2023	10.125%
January 18, 2023 – April 16, 2023	11.25%
April 17, 2023 –July 16, 2023	11.50%
July 17, 2023 –October 16, 2023	11.50%
October 17, 2023 –January 17, 2024	12.125%
January 18, 2024—April 16, 2024	12.375%
April 17, 2025—July 16, 2024	12.50%
July 17, 2024 –October 17, 2024	11.875%
October 18, 2024---January 20, 2025	12.375%
January 21, 2025---April 21, 2025	12.375%
April 22, 2025---July 16, 2025	11.625%
July 17, 2025---October 21, 2025	11.625%
October 22, 2025---January 19, 2026	11.125%

X-Ref Requirement Number	**Recommendations or other supporting information:**
January 20, 2026----April 19, 2026	11.625%
April 20, 2026---July 20, 2026	11.375%
July 21, 2026---	11.875%