CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-06 Medicare Financial Management	Centers for Medicare & Medicaid Services (CMS)
Transmittal 172	**Date: July 14, 2010**
	Change Request 6654

SUBJECT: Notice of New Interest Rate for Medicare Overpayments and Underpayments – 4th Notification for FY 2010

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

EFFECTIVE DATE: *July 21, 2010
IMPLEMENTATION DATE: July 21, 2010

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:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or 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

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

Attachment – Recurring Update Notification

Pub. 100-06	Transmittal: 172	Date: July 14, 2010	Change Request: 6654

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EFFECTIVE DATE: July 21, 2010

IMPLEMENTATION DATE: July 21, 2010

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 (one percent for calendar year 2010) 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 **11.00 percent**.

II. BUSINESS REQUIREMENTS TABLE

Use"Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6654.1	The Medicare contractors shall implement an interest rate of **11.00%** effective **July 21, 2010** 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/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	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.

X-Ref Requirement Number	**Recommendations or other supporting information:**
6654.1	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 – 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%

X-Ref Requirement Number	Recommendations or other supporting information:
April 16, 2009 – July 16, 2009	11.00%
July 17, 2009 – October 21, 2009	11.25%
October 22, 2009 – January 24, 2010	10.875%
January 25, 2010 – April 22, 2010	11.25%
April 23, 2010 – July 20, 2010	10.875%
July 21, 2010	**11.00%**

Section B: For all other recommendations and supporting information, use this space:

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.