
Program Memorandum Intermediaries/Carriers

Department of Health & Human
Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal AB-02-068

Date: MAY 8, 2002

CHANGE REQUEST 1898

SUBJECT: Notice of 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 rate (5 percent for calendar year 2002). The Secretary of the Treasury has notified the Department of Health and Human Services that the PCR has been changed to **11.75 percent**. The notice of the PCR was published in the *Federal Register* (see Vol. 67, No. 89 dated 05/08/02).

Therefore, the PCR will remain in effect until a new rate change is published. In addition, this reaffirms interest rates for prior periods.

INTEREST RATE TABLE

| <u>Period</u> | <u>Interest Rate</u> |
|-------------------------------------|----------------------|
| 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 - May 2, 2000 | 13.5% |
| May 3, 2000 - July 31, 2000 | 13.75% |
| August 1, 2000 - October 23, 2000 | 13.875% |
| October 24, 2000 - February 6, 2001 | 13.875% |
| 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 | 11.75% |

These instructions should be implemented within your current operating budget.

The *effective date* for this Program Memorandum (PM) is May 8, 2002.

The *implementation date* for this PM is May 8, 2002.

This PM may be discarded the earlier of August 31, 2002, or the issuance of the revised interest rate.

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

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