

**TO: All Providers**

**FROM: CareFirst of Maryland, Inc.**

**DATE: March 6, 2003**

**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 (2 percent for calendar year 2003). The Secretary of the Treasury has notified the Department of Health and Human Services that the PCR has been changed to **10.75 percent**. The notice of the PCR was published in the **Federal Register** (see Vol. 68, No. 28 dated 02/11/03).

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>
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 – August 7, 2002	11.75%
August 8, 2002 – November 18, 2002	12.625%
November 19, 2002 – February 10, 2003	11.25%
<b>February 11, 2003</b>	<b>10.75%</b>

**(Source: Program Memorandum AB-03-019; Change Request 2430)**

**The effective date for this instruction is February 11, 2003.**

**The implementation date for this instruction is February 11, 2003.**

**THIS BULLETIN SHOULD BE SHARED WITH ALL HEALTH CARE PRACTITONERS AND MANAGERIAL MEMBERS OF THE PROVIDER/SUPPLIER STAFF. ALL BULLETINS ISSUED AFTER OCTOBER 1, 1999 ARE AVAILABLE AT NO COST FROM OUR WEB SITE AT [www.marylandmedicare.com](http://www.marylandmedicare.com).**

**Questions regarding this bulletin should be directed to the provider relations department at (866) 488-0545**