

TO: All Providers

FROM: CareFirst of Maryland, Inc.

DATE: August 5, 2004

SUBJECT: New Interest rate for Medicare Overpayments and Underpayments

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 2004) 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 **11.75 percent**.

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	11.75%

The *effective/implementation* date of this bulletin is August 9, 2004.

THIS BULLETIN SHOULD BE SHARED WITH ALL HEALTH CARE PRACTITIONERS 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