

**TO:** All Providers

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

**DATE:** May 27, 2005

**SUBJECT:** Notice of 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 2005) 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 **12.00 percent**.

<b>Period</b>	<b>Interest Rate</b>
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	12.00%

*The effective/implementation date of the bulletin is April 25, 2005.*

**Source:** Change Request 3455

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