

The Supreme Court Update - April 30, 2025

by Ian Blodger, Jessica M. Leano, and Brock Huebner

On Tuesday, April 29, the Supreme Court of the United States issued one decision:

Advocate Christ Medical Center v. Kennedy, No. 23-715: This case addresses the proper method for calculating the “disproportionate share hospital” (“DSH”) adjustment under Medicare for hospitals that treat a high percentage of low-income patients. A “highly technical” provision prescribes the percentage used to calculate the rate that the government will pay a hospital that treats a disproportionate share of low-income Medicare patients. The DSH percentage is calculated by adding together two statutorily prescribed fractions, known as the Medicare fraction and the Medicaid fraction. The higher the percentage, the more funding a hospital receives. The Medicare fraction represents the proportion of a hospital’s Medicare patients who have low incomes. The Medicare fraction considers the number of patients who were “entitled to supplementary security income benefits [(“SSI”)] ... under subchapter XVI” of the Social Security Act. The Department of Health & Human Services (“HHS”) interpreted that phrase to apply to patients who were entitled to receive SSI benefits during the month in which they were hospitalized, while Petitioners, a group of more than 200 hospitals, interpreted the phrase more broadly to encompass all patients enrolled in the SSI system at the time of their hospitalizations, even if they were not entitled to a SSI payment during the month of their hospitalization. The hospitals claimed that HHS misconstrued the Medicare fraction, leaving them underfunded for several years. The hospitals sought review by the HHS, Centers for Medicare & Medicaid Services, District Court, and D.C. Circuit, which all agreed with HHS’s interpretation of the Medicare fraction.

In a 7-2 decision authored by Justice Barrett, the Supreme Court affirmed the D.C. Circuit and agreed with HHS’s interpretation that an individual is “entitled to [SSI] benefits” for purposes of the Medicare fraction if she is “eligible for such benefits during the month of her hospitalization.” Among other reasons, subchapter XVI makes clear that SSI benefits are cash benefits and establishes that eligibility for such benefits is determined on a monthly basis. Justice Barrett noted that in a case also involving the Medicare fraction, the Court treated the word “entitled” in the Medicare statute as

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synonymous with “qualifying” for or “being eligible ... for benefits.” Because eligibility for an SSI payment is determined on a monthly basis, an individual is considered “entitled to [SSI] benefits” for purposes of the Medicare fraction when she is eligible for such benefits during the month of her hospitalization. Justice Jackson, joined by Justice Sotomayor, filed a dissent.

View the [Court's decision](#).

Today, the Supreme Court of the United States issued one decision:

Feliciano v. Department of Transportation, No. 23-861: This case addresses the proper interpretation of the “differential pay” statute, which requires the government to compensate military reservists for the difference between their military and civilian pay in various circumstances, including when the reservist is called to active duty “during a national emergency.” See 5 U.S.C. §5538(a); 10 U.S.C. §101(a)(13)(B). At issue in this case is whether this language guarantees differential pay when a reservist serves on active duty while a national emergency is ongoing, or whether it requires proving a “substantial connection” between the service and the particular national emergency. Petitioner Nick Feliciano is an air traffic controller with the Federal Aviation Administration who also served as a Coast Guard reserve petty officer. He was ordered to active duty between July 2012 and February 2017, serving on a Coast Guard ship escorting vessels to and from harbor. His orders noted that he was called to active duty “in support of” several “contingency operation[s],” including Operations Iraqi Freedom and Enduring Freedom. Feliciano did not receive differential pay for his service. He brought a claim seeking differential pay to the Merit System Protection Board, which rejected his request. The Federal Circuit affirmed the rejection.

In a 5-4 decision authored by Chief Justice Roberts, and joined by Justices Sotomayor, Kavanaugh, and Barrett, the Supreme Court held that a federal civilian employee called to active duty “during a national emergency” as described in §101(a)(13)(B) is entitled to differential pay if the reservist’s service temporally coincides with a declared national emergency without any showing that the service bears a substantive connection to a particular emergency. Justice Thomas filed a dissenting opinion, in which Justices Alito, Kagan, and Jackson joined arguing that the context of the phrase “during a national emergency” indicates differential pay should be required only where the call to active duty comes in the course of an operation responding to a national emergency.

View the [Court's decision](#).