IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

NAZARETH HOSPITAL and : CIVIL ACTION

ST. AGNES MEDICAL CENTER

v. : No. 10-3513

KATHLEEN SEBELIUS, Secretary

Department of Health and Human Services :

<u>ORDER</u>

AND NOW, this 8th day of April, 2013, the "Motion of Plaintiffs Nazareth Hospital

and St. Agnes Medical Center for Summary Judgment" (doc. no. 16) is granted, and the

"United States of America's Cross-Motion for Summary Judgment" (doc. no. 21) is denied.

The decision of defendant Kathleen Sebelius, Secretary of the Department of Health and

Human Services, of September 11, 2012 (doc. no. 61), is reversed, and judgment is entered

in favor of plaintiffs and against defendant.

Consistent with the memorandum accompanying this order, defendant shall

recalculate the Medicare disproportionate share hospital adjustments owed plaintiffs for the

fiscal year ending December 31, 2002 under 42 U.S.C. § 1395ww(d)(5)(F)(vi). Adjustments

not previously made shall be remitted to plaintiffs, together with interest on those amounts

as calculated under 42 U.S.C. § 139500(f)(2).

BY THE COURT:

/s/ Edmund V. Ludwig

Edmund V. Ludwig, J.