

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],  
Claimant

Reg. No: 2007-15753  
Issue No: 2009  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
August 29, 2007  
Calhoun County DHS

ADMINISTRATIVE LAW JUDGE: Jana B. Bachman

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon claimant's request for a hearing. After due notice, a hearing was held on August 29, 2007.

ISSUE

Whether the Department of Human Services (department) properly determined that claimant has not established disability for purposes of Medical Assistance (MA).

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

- (1) January 17, 2007, claimant applied for MA. Claimant submitted medical records for department consideration.
- (2) March 20, 2007, the Medical Review Team denied claimant's application for MA. Department Exhibit (Department) A.

(3) [REDACTED] the department sent claimant written notice that the application was denied. Department C.

(4) [REDACTED], the department received claimant's timely request for hearing.

(5) July 6, 2007, the State Hearing Review Team (SHRT) denied claimant's application. Department B.

(6) [REDACTED], the telephone hearing was held. Prior to the close of the record, claimant submitted additional medical evidence. He waived his right to a timely hearing decision. October 15, 2007, the SHRT again denied claimant's application. SHRT Decision, 10/15/07.

(7) Claimant asserts disability based on impairments caused by a herniated disc, bad hip, leg injuries, and depression.

(8) Claimant testified at hearing. Claimant is 43 years old, 5'8" tall, and weighs 130 pounds. Claimant completed a GED and has training in the building trades. His driver's license is revoked. He cares for his needs at home.

(9) Claimant's past relevant employment has been as a factory laborer, hi-lo driver, press operator, mold maker, and spray painter.

(10) Claimant testified at hearing, that he believed he was going to be approved for [REDACTED] and would know in approximately 6 months. Claimant did not provide evidence of approval.

(11) [REDACTED], claimant was examined by a neurosurgeon. Treatment records state that claimant has positive straight leg raise on left at 90 degrees. Claimant has good pulses. Ankle and knee reflexes are 1+. Pin prick intact and individual motor exam is normal. Patient is able to heel and toe walk. Lumbar spinal alignment is normal. There are no trigger points in his

buttocks, trochanteric bursae, thighs, or lumbar spine. Cranial nerves are intact. Department A, pages 66-67.

(12) [REDACTED], claimant was evaluated by an orthopedic specialist. Records indicate that claimant's chest is clear to auscultation. Heart has regular rate and rhythm. Lower extremity exam reveals that range of motion in hips is 90 degrees. Abduction is 25 degrees. Sensation is hypesthetic in the S1 distribution; however reflexes are intact at the Achilles bilaterally. L4 reflex is absent on left. No knee effusion. Dorsalis pedis and posterior tibialis pulse are 2+. Claimant has antalgic gait. X-ray of left hip and pelvis reveal significant bone degeneration with a mismatched radius of curvature, sclerosis of both the femoral head and the acetabulum. [REDACTED] reveals a herniated disc at S1. Doctor recommends a hip replacement. Department A, pages 80-83, 98.

(13) [REDACTED], claimant was scheduled for left hip replacement. Department A, page 97. Medical records dated [REDACTED] indicate that claimant has left hip osteoarthritis and spasm in his paraspinal muscles. He had scars from multiple surgeries on right and left leg. The record is not clear as to whether claimant has had his left hip replaced. Claimant A.

(14) [REDACTED], claimant underwent an [REDACTED]. A narrative report was prepared that indicates AXIS I diagnoses of adjustment disorder with depressed mood, psychotic disorder, and nicotine dependence. GAF was assessed at 50. Claimant was noted to be in contact with reality and oriented x3. Motor activity was normal with the exception of pain on ambulation. Speech was normal. Thoughts were organized, relevant, and coherent. Claimant alleged auditory hallucinations. Affect was mildly depressed. Doctor opines that claimant appeared to be under-reporting his involvement with alcohol and street drugs. He failed some simpler portions of the mental status exam, which raises concerns

about credibility. Claimant reported that he was injured in an auto accident and wears a knee brace. He reported “grinding, numbness, and sharp pains”. Department A, pages 17-21.

### CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Pursuant to Federal Rule 42 CFR 435.540, the Department of Human Services uses the federal Supplemental Security Income (SSI) policy in determining eligibility for disability under the Medical Assistance program. Under SSI, disability is defined as:

...the inability to do any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.... 20 CFR 416.905

A set order is used to determine disability. Current work activity, severity of impairments, residual functional capacity, past work, age, or education and work experience is reviewed. If there is a finding that an individual is disabled or not disabled at any point in the review, there will be no further evaluation. 20 CFR 416.920.

If an individual is working and the work is substantial gainful activity, the individual is not disabled regardless of the medical condition, education and work experience. 20 CFR 416.920(c).

If the impairment or combination of impairments do not significantly limit physical or mental ability to do basic work activities, it is not a severe impairment(s) and disability does not exist. Age, education and work experience will not be considered. 20 CFR 416.920.

Statements about pain or other symptoms do not alone establish disability. There must be medical signs and laboratory findings which demonstrate a medical impairment.... 20 CFR 416.929(a).

...Medical reports should include –

- (1) Medical history.
- (2) Clinical findings (such as the results of physical or mental status examinations);
- (3) Laboratory findings (such as blood pressure, X-rays);
- (4) Diagnosis (statement of disease or injury based on its signs and symptoms).... 20 CFR 416.913(b).

In determining disability under the law, the ability to work is measured. An individual's functional capacity for doing basic work activities is evaluated. If an individual has the ability to perform basic work activities without significant limitations, he or she is not considered disabled. 20 CFR 416.994(b)(1)(iv).

Basic work activities are the abilities and aptitudes necessary to do most jobs. Examples of these include --

- (1) Physical functions such as walking, standing, sitting, lifting, pushing, pulling, reaching, carrying, or handling;
- (2) Capacities for seeing, hearing, and speaking;
- (3) Understanding, carrying out, and remembering simple instructions;
- (4) Use of judgment;
- (5) Responding appropriately to supervision, co-workers and usual work situations; and
- (6) Dealing with changes in a routine work setting. 20 CFR 416.921(b).

Medical findings must allow a determination of (1) the nature and limiting effects of your impairment(s) for any period in question; (2) the probable duration of the impairment; and (3) the residual functional capacity to do work-related physical and mental activities. 20 CFR 416.913(d).

Medical evidence may contain medical opinions. Medical opinions are statements from physicians and psychologists or other acceptable medical sources that reflect judgments about the nature and severity of the impairment(s), including your symptoms, diagnosis and prognosis, what an individual can do despite impairment(s), and the physical or mental restrictions. 20 CFR 416.927(a)(2).

All of the evidence relevant to the claim, including medical opinions, is reviewed and findings are made. 20 CFR 416.927(c).

For mental disorders, severity is assessed in terms of the functional limitations imposed by the impairment. Functional limitations are assessed using the criteria in paragraph (B) of the listings for mental disorders (descriptions of restrictions of activities of daily living, social functioning; concentration, persistence, or pace; and ability to tolerate increased mental demands associated with competitive work).... 20 CFR, Part 404, Subpart P, App. 1, 12.00(C).

If an individual fails to cooperate by appearing for a physical or mental examination by a certain date without good cause, there will not be a finding of disability. 20 CFR 416.994(b)(4)(ii).

When determining disability, the federal regulations require that several considerations be analyzed in sequential order. If disability can be ruled out at any step, analysis of the next step is not required. These steps are:

1. Does the client perform Substantial Gainful Activity (SGA)? If yes, the client is ineligible for MA. If no, the analysis continues to Step 2. 20 CFR 416.920(b).

2. Does the client have a severe impairment that has lasted or is expected to last 12 months or more or result in death? If no, the client is ineligible for MA. If yes, the analysis continues to Step 3. 20 CFR 416.920(c).
3. Does the impairment appear on a special listing of impairments or are the client's symptoms, signs, and laboratory findings at least equivalent in severity to the set of medical findings specified for the listed impairment? If no, the analysis continues to Step 4. If yes, MA is approved. 20 CFR 416.290(d).
4. Can the client do the former work that he/she performed within the last 15 years? If yes, the client is ineligible for MA. If no, the analysis continues to Step 5. 20 CFR 416.920(e).
5. Does the client have the Residual Functional Capacity (RFC) to perform other work according to the guidelines set forth at 20 CFR 404, Subpart P, Appendix 2, Sections 200.00-204.00? If yes, the analysis ends and the client is ineligible for MA. If no, MA is approved. 20 CFR 416.920(f).

At Step 1, claimant is not engaged in substantial gainful activity and so is not disqualified from receiving disability at Step 1.

At Step 2, the objective medical evidence of record indicates that claimant has severe osteoarthritis in his left hip and herniated disc at S1. He was scheduled to undergo a hip replacement in [REDACTED], but it appears he may not have undergone the surgery. In [REDACTED], claimant had pain on straight leg raise at 90 degrees on left. Sensation was hypesthetic in the S1 distribution, however reflexes were intact at the Achilles bilaterally. L4 reflex was absent on left. No knee effusion. Dorsalis pedis and posterior tibialis pulse were 2+. Claimant had antalgic gait. In [REDACTED], claimant was able to heel and toe walk. He used a cane for balance. Finding of Fact 9-13.

At Step 2, claimant was diagnosed with adjustment disorder with depressed mood, psychotic disorder, and nicotine dependence. At exam, claimant was noted to be in contact with reality and oriented x3. Motor activity was normal with the exception of pain on

ambulation. Speech was normal. Thoughts were organized, relevant, and coherent. Claimant alleged auditory hallucinations. Affect was mildly depressed. Doctor opines that claimant appeared to be under-reporting his involvement with alcohol and street drugs. He failed some simpler portions of the mental status exam, which raises concerns about credibility. GAF was assessed at 50, indicative of serious to moderate symptoms or difficulties. Finding of Fact 14; [REDACTED]. The record contains no objective evidence that claimant was undergoing psychological treatment at the time of his application for MA or in the interim between his application and the Administrative Hearing. Department A; Claimant A.

At Step 2, no evidence was presented to establish that claimant was approved for [REDACTED]

[REDACTED]. Finding of Fact 10.

At Step 2, the objective medical evidence of record is not sufficient to establish that claimant has severe impairments that have lasted or are expected to last 12 months or more and prevent employment at any job for 12 months or more. Therefore, claimant is disqualified from receiving disability at Step 2.

At Step 3, claimant's impairments do not rise to the level necessary to be specifically disabling by law.

At Step 4, claimant's past relevant employment has been as doing various types of factory labor and hi-lo driving. The objective medical evidence of record indicates that claimant has severe osteoarthritis in his left hip and herniated disc at S1. In [REDACTED], claimant had pain on straight leg raise at 90 degrees on left. Sensation was hypesthetic in the S1 distribution, however reflexes were intact at the Achilles bilaterally. L4 reflex was absent on left. No knee effusion. Dorsalis pedis and posterior tibialis pulse were 2+. Claimant had antalgic gait. In [REDACTED] claimant was diagnosed with adjustment disorder with depressed mood, psychotic disorder, and nicotine dependence. At exam, claimant was noted to be in contact with reality

and oriented x3. Motor activity was normal with the exception of pain on ambulation. Speech was normal. Thoughts were organized, relevant, and coherent. Claimant alleged auditory hallucinations. Affect was mildly depressed. Doctor opines that claimant appeared to be under-reporting his involvement with alcohol and street drugs. He failed some simpler portions of the mental status exam, which raises concerns about credibility. GAF was assessed at 50, indicative of serious to moderate symptoms or difficulties. Finding of Fact 12; [REDACTED]. The record contains no objective evidence that claimant was undergoing psychological treatment at the time of his application for MA or in the interim between his application and the Administrative Hearing. Department A; Claimant A. No objective evidence was presented to establish claimant was approved for [REDACTED]. Finding of Fact 9-14.

At Step 4, the objective medical evidence of record is sufficient to establish that claimant has physical functional impairments that prevent claimant, for a period of 12 months or more, from engaging in a full range of duties required by claimant's past relevant employment doing factory labor and driving a hi-lo truck. Therefore, claimant is not disqualified from receiving disability at Step 4.

The residual functional capacity is what an individual can do despite limitations. All impairments will be considered in addition to ability to meet certain demands of jobs in the national economy. Physical demands, mental demands, sensory requirements and other functions will be evaluated.... 20 CFR 416.945(a).

To determine the physical demands (exertional requirements) of work in the national economy, we classify jobs as sedentary, light, medium and heavy. These terms have the same meaning as they have in the Dictionary of Occupational Titles, published by the Department of Labor.... 20 CFR 416.967.

Sedentary work. Sedentary work involves lifting no more than 10 pounds at a time and occasionally lifting or carrying articles like docket files, ledgers, and small tools. Although a sedentary job is defined as one which involves sitting, a certain amount of walking and standing is often necessary in carrying out job duties. Jobs are sedentary if walking and standing are required occasionally and other sedentary criteria are met. 20 CFR 416.967(a).

Light work. Light work involves lifting no more than 20 pounds at a time with frequent lifting or carrying of objects weighing up to 10 pounds. Even though the weight lifted may be very little, a job is in this category when it requires a good deal of walking or standing, or when it involves sitting most of the time with some pushing and pulling of arm or leg controls.... 20 CFR 416.967(b).

Medium work. Medium work involves lifting no more than 50 pounds at a time with frequent lifting or carrying of objects weighing up to 25 pounds. If someone can do medium work, we determine that he or she can also do sedentary and light work. 20 CFR 416.967(c).

Heavy work. Heavy work involves lifting no more than 100 pounds at a time with frequent lifting or carrying of objects weighing up to 50 pounds. If someone can do heavy work, we determine that he or she can also do medium, light, and sedentary work. 20 CFR 416.967(d).

At Step 5, the objective medical evidence of record indicates that claimant was diagnosed with mental illness in [REDACTED]. The record contains no objective medical evidence to establish claimant currently has a mental illness or is engaging in mental health treatment. See discussion at Step 2 and 4, above. Finding of Fact 14. The objective medical evidence of record establishes that claimant has severe osteoarthritis in his left hip, wears a knee brace, and uses a cane for balance. Range of motion in the left hip is reduced and he has spasms in his paraspinal muscles. No objective evidence was provided to establish claimant was approved for [REDACTED] [REDACTED]. See discussion at Step 2 and 4 above. Finding of Fact 10-13.

At Step 5, the objective medical evidence of record is sufficient to establish that claimant retains the residual functional capacity to perform at least sedentary work activities. Considering claimant's Vocational Profile (younger individual, limited education, and history of unskilled and semi-skilled work) and relying on Vocational Rule 202.18, claimant is not disabled. Therefore, claimant is disqualified from receiving disability at Step 5.

Claimant does not meet the federal statutory requirements to qualify for disability. Therefore, claimant does not qualify for Medical Assistance based on disability and the department properly denied claimant's application.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that claimant has not established disability for Medical Assistance.

Accordingly, the department's action is **HEREBY UPHOLD**.

/s/  
\_\_\_\_\_  
Jana B. Bachman  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed:  \_\_\_\_\_

Date Mailed: 

**NOTICE:** Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

JBB

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