

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: 2008-25181
Issue No: 2009;4031
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
October 22, 2008
St. Joseph County DHS

ADMINISTRATIVE LAW JUDGE: Jay W. Sexton

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 telephone hearing was held in Centerville on October 22, 2008. Claimant personally appeared and testified under oath.

The department was represented by Mike Conrod (FIM) and Nancy Scott (ES).

The Administrative Law Judge appeared by telephone from Lansing.

ISSUES

- (1) Did claimant establish a severe mental impairment expected to preclude him from substantial gainful work, **continuously**, for one year (MA-P) or 90 days (SDA)?
- (2) Did claimant establish a severe physical impairment expected to preclude him from substantial gainful work, **continuously**, for one year (MA-P) or 90 days (SDA)?

FINDINGS OF FACT

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

(1) Claimant is a MA-P/Retro/SDA applicant (October 2, 2007) who was denied by SHRT (July 23, 2008) due to claimant's ability to perform normal work activities. Claimant requests Retro MA-P for July, August and September 2007.

(2) Claimant vocational factors are: age—55; education—11th grade; post high school education—GED; work experience—dishwasher/cashier for [REDACTED], assistant electrician at a trailer factory, sheet metal worker, machinist and mold worker for [REDACTED].

(3) Claimant has not performed Substantial Gainful Activity (SGA) since 2006 when he worked as a dishwasher/cashier at [REDACTED].

(4) Claimant has the following unable-to-work complaints:

- (a) Depression;
- (b) Back surgery recommended;
- (c) Lumbar back dysfunction.

(5) SHRT evaluated claimant's medical evidence as follows:

OBJECTIVE MEDICAL EVIDENCE (July 23, 2008)

SHRT concluded that claimant is able to perform a wide range of unskilled work.

Claimant does not meet Listing 12.04 (depression);

SHRT denied claimant's application for MA-P/SDA based on claimant's failure to establish an impairment which meets the department severity and duration requirement under 20 CFR 416.920.

SHRT also denied because claimant's history of drug and alcohol abuse is material to his impairments under 20 CFR 416.935.

(6) Claimant lives alone and performs the following Activities of Daily Living (ADLs): dressing, bathing, cooking, dishwashing, light cleaning (sometimes), mopping, vacuuming, laundry and grocery shopping (needs help). Claimant does not use a cane, a walker, a wheelchair or a shower stool. He does not wear a brace on his back, neck, arms or legs. Claimant was not hospitalized in 2007 or 2008.

(7) Claimant has a valid driver's license but does not drive an automobile. Claimant is computer literate.

(8) The following medical/psychological records are persuasive:

(a) A March 20, 2008 psychological report was reviewed.

The Ph.D. psychologist provided the following background:

Most of the problems deal with anxiety and memory, although claimant stated that he believed this to be a fault of the medication; "I take Seroquel and Celexia and I don't have the energy to do anything. The medicine makes it easier to deal with 'things' anxiety and depression."

His work history is peppered with losing jobs, where he was frequently fired. He worked for Cadillac; worked as a sheet metal worker; worked as machinist; worked as a mold maker. Each time something was wrong and resulted in terminations.

Beginning in 1986, he began losing jobs because of hangovers or still drunk from the night before: [REDACTED] book binder plant, terminated for intoxication; 1989-1996 on disability due to alcoholism.

In 2002 claimant was diagnosed with a panic attack with agoraphobia.

The Ph.D. psychologist provided the following diagnoses: Axis I—panic disorder with agoraphobia; intermittent explosive disorder—controlled through the use of medication; adult ADHD—impulsive type; major depressive, recurrent—controlled through the use of

medication; alcohol related disorder, NOS—in remission, last used 1/16/1989.

Axis V—GAF 55-60.

The Ph.D. psychologist provided the following residual functional capacity: #15—the ability to get along with co-workers or peers without distracting them or exhibiting behavioral extremes: markedly limited. This is the only category where claimant was markedly limited.

The Ph.D. psychologist provided the following conclusions:

Claimant presents as a 55-year-old Caucasian male; he showed little deficit and mental and emotional functioning. The major concerns are energy level due to the long-term treatment of an intermittent explosive disorder and major depression. Both issues are under control and are being managed through the use of medication, yet the side effect of medication is extreme lethargy.

(9) The probative psychological evidence does not establish an acute (non-exertional) mental condition expected to prevent claimant from performing all customary work functions for the required period of time. Claimant testified that he has been diagnosed with depression. The Ph.D. psychological report provides the following diagnoses: panic disorder, with agoraphobia; intermittent explosive disorder, controlled through the use of medication; adult ADHD—impulsive type; major depression, recurrent—controlled through the use of medication; alcohol related disorder NOS, in remission. The Ph.D. psychologist did not report any significant work limitations caused by claimant's mental impairments. The Ph.D. psychologist indicates that claimant's major concern is energy level due to the long-term treatment of an intermittent explosive disorder and major depression. The Ph.D. psychologist reported that claimant has a marked limitation in (#15), the ability to get along with co-workers or peers.

(10) The probative medical evidence does not establish an acute (exertional) physical impairment expected to prevent claimant from performing all customary work functions for the required period of time. There is no recent information on claimant's physical condition in the file.

(11) Claimant recently applied for federal disability benefits with the Social Security Administration. Social Security denied his application.

CONCLUSIONS OF LAW

CLAIMANT'S POSITION

Claimant thinks he is entitled to MA-P/SDA based on the impairments listed in paragraph #4, above.

DEPARTMENT'S POSITION

The department thinks that claimant has the residual functional capacity to perform normal work activities.

The department thinks that claimant's impairments do not meet/equal the intent or severity of a Social Security listing.

The department denied MA-P/SDA benefits because claimant did not establish an impairment which meets the severity/duration requirements under 20 CFR 416.920(c).

The department also denied claimant's MA-P/SDA application based on claimant's history of drug and alcohol abuse which is material to his impairments under 20 CFR 416.935.

LEGAL BASE

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).

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department of Human Services (DHS or department) administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180. 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).

The Administrative Law Judge is responsible for making the determination or decision about whether the statutory definition of disability is met. The Administrative Law Judge reviews all medical findings and other evidence that support a medical source's statement of disability.... 20 CFR 416.927(e).

A statement by a medical source finding that an individual is "disabled" or "unable to work" does not mean that disability exists for the purposes of the program. 20 CFR 416.927(e).

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).

To determine to what degree a severe mental impairment limits claimant's ability to work, the following regulations must be considered:

(a) **Activities of Daily Living.**

...including adaptive activities such as cleaning, shopping, cooking, taking public transportation, paying bills, maintaining a residence, caring appropriately for one's grooming and hygiene, using telephones and directories, using a post office, etc. 20 CFR, Part 404, Subpart P, App. 1, 12.00(C)(1).

(b) **Social Functioning.**

...refers to an individual's capacity to interact independently, appropriately, effectively, and on a sustained basis with other individuals. 20 CFR, Part 404, Subpart P, App. 1, 12.00(C)(2).

Social functioning includes the ability to get along with others, such as family members, friends, neighbors, grocery clerks, landlords, or bus drivers. You may demonstrate impaired social functioning by, for example, a history of altercations, evictions, firings, fear of strangers, avoidance of interpersonal relationships, or social isolation. You may exhibit strength in social functioning by such things as your ability to initiate social contacts with others, communicate clearly with others, or interact and actively participate in group activities. We also need to consider cooperative behaviors, consideration for others, awareness of others' feelings, and social maturity. Social functioning in work situations may involve interactions with the public, responding appropriately to persons in authority (e.g., supervisors), or cooperative behaviors involving coworkers. 20 CFR, Part 404, Subpart P, App. 1, 12.00(C)(2).

(c) Concentration, Persistence or Pace.

...refers to the ability to sustain focused attention and concentration sufficiently long to permit the timely and appropriate completion of tasks commonly found in work settings. 20 CFR, Part 404, Subpart P, App. 1, 12.00(C)(3).

Limitations in concentration, persistence, or pace are best observed in work settings, but may also be reflected by limitations in other settings. In addition, major limitations in this area can often be assessed through clinical examination or psychological testing. Wherever possible, however, a mental status examination or psychological test data should be supplemented by other available evidence. 20 CFR, Part 404, Subpart P, App. 1, 12.00(C)(3).

Claimant has the burden of proof to show by a preponderance of the medical evidence in the record that his mental/physical impairments meet the department's definition of disability for MA-P/SDA purposes. PEM 260/261. "Disability," as defined by MA-P/SDA standards is a legal term which is individually determined by a consideration of all factors in each particular case.

STEP 1

The issue at Step 1 is whether claimant is performing substantial gainful activity (SGA). If claimant is working and is earning substantial income, he is not eligible for MA-P/SDA.

SGA is defined as the performance of significant duties over a reasonable period of time for pay. Claimants who are working, or otherwise performing Substantial Gainful Activity (SGA), are not disabled regardless of medical condition, age, education or work experience. 20 CFR 416.920(b).

The psychological/vocational evidence of record shows that claimant is not currently performing SGA.

Therefore, claimant meets the Step 1 disability test.

STEP 2

The issue at Step 2 is whether claimant has impairments which meet the SSI definition of severity/duration.

Claimant must establish an impairment which is expected to result in death, or has lasted or is expected to last for a continuous period of at least 12 months and prevents all work activity. 20 CFR 416.909.

Also, to qualify for MA-P/SDA, claimant must satisfy both the gainful work and the duration criteria. 20 CFR 416.920(a).

Since the severity/duration requirement is a *de minimus* requirement, claimant meets the Step 2 disability test.

STEP 3

The issue at Step 3 is whether claimant meets the Listing of Impairments in the SSI regulations. SHRT reviewed claimant's eligibility under Listing 12.04 (depression). Since claimant does not meet any of the Listings, he does not meet the Step 3 disability test.

STEP 4

The issue at Step 4 is whether claimant is able to do his previous work. Claimant previously worked as a cashier/dishwasher for [REDACTED]. Claimant's work at [REDACTED] was light work, which required him to have the mental capacity to run the cash register.

Claimant testified that he had difficulty running the cash register at [REDACTED]. The psychological report in the record states that claimant does have ADHD, which would interfere with claimant's ability to perform skilled work.

Because claimant has ADHD/depression makes it difficult for him to perform skilled work (running a cash register), he is not able to return to his previous work at [REDACTED]. Therefore, claimant meets the Step 4 disability test.

STEP 5

The issue at Step 5 is whether claimant has the Residual Functional Capacity (RFC) to do other work.

Claimant has the burden of proof to show by the medical/psychological evidence in the record that his mental/physical impairments meet the department's definition of disability for MA-P/SDA purposes.

First, claimant alleges disability based on a mental disorder (depression). There is evidence in the record, based on the recent psychological evaluation, that claimant does suffer from depression. The Ph.D. psychologist also provided diagnoses of intermittent explosive

disorder, adult ADHD, and alcohol related disorder NOS, in remission. However, the psychologist of record did not state that claimant was totally unable to work.

Second, claimant alleges disability based on his lumbar back dysfunction and the recommended back surgery (no date has been set). There is no medical evidence in the record to support claimant's allegation of a physical disability based on back dysfunction.

In short, the Administrative Law Judge is not persuaded that claimant is totally unable to work based on his back dysfunction and his depression. Claimant currently performs an extensive list of activities of daily living, has an active social life, and is computer literate. Considering the entire medical record, in combination with claimant's testimony, the Administrative Law Judge concludes that claimant is able to perform simple unskilled sedentary work (SGA). In this capacity, he is able to work as a ticket taker at a theater, as a parking lot attendant, and as a greeter at [REDACTED].

The department correctly denied claimant's MA-P/SDA application based on Step 5 of the sequential analysis, as presented above.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that claimant does not meet the MA-P/SDA disability requirements under PEM 260/261.

Accordingly, the department's denial of claimant's MA-P/SDA application is, hereby,
AFFIRMED.

SO ORDERED.

/s/ _____
Jay W. Sexton
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: January 25, 2010

Date Mailed: January 26, 2010

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 mailing 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.

JWS/vmc

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