

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: [REDACTED] 2008-6171

Issue No: 2009/4031

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Dates:

February 6, 2008/March 11, 2008

Kent County DHS

ADMINISTRATIVE LAW JUDGE: Jana A. 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, telephone hearings were held on February 6, 2008 and March 11, 2008.

ISSUE

Whether the Department of Human Services (department) properly determined that claimant has not established disability Medical Assistance (MA) and State Disability Assistance (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) On May 17, 2007, claimant applied for MA and SDA. Claimant submitted medical records for department consideration.

(2) June 28, 2007, the Medical Review Team (MRT) denied claimant's Medicaid application and approved claimant's SDA application. October 3, 2007, the MRT denied claimant's September SDA medical review. Department Exhibit A.

(3) August 23, 2007, the department sent claimant written notice that her Medical Assistance was denied. October 8, 2007, the department sent claimant written notice that her SDA medical review was denied.

(4) September 24, 2007 and October 15, 2007, the department received claimant's timely requests for hearing.

(5) November 13, 2007, the State Hearing Review Team (SHRT) denied claimant's MA application. Department Exhibit B. January 29, 2008, the SHRT denied claimant's MA application and SDA medical review. Department Exhibit B.

(6) February 6, 2008, and March 11, 2008, the telephone hearings were held. Prior to close of record, claimant submitted additional medical evidence. Claimant waived the right to a timely hearing decision. July 15, 2008, after review of all medical evidence, the SHRT again denied claimant's MA application and SDA medical review. SHRT Decision, 7-15-08.

(7) Claimant asserts disability based on bipolar disorder and bad back.

(8) Claimant testified at hearing. Claimant is 45 years old, 5'9" tall, and weighs 194 pounds. Claimant completed the ninth grade and is able to read, write, and perform basic math. Claimant has a driver's license and is able to drive. Claimant cares for her needs at home.

(9) Claimant's past relevant employment has been as a factory laborer, truck driver, and process server.

(10) April 10, 2007, claimant was admitted to hospital for treatment of depression. April 11, 2007, claimant underwent a psychiatric evaluation and a narrative was prepared that

indicates claimant is hard of hearing, adequately groomed female who does walk about somewhat slowly as if she may have some back pain. She has a very odd, angry, irritable, guarded disposition. She makes almost no contact. She is very, very preoccupied with an increased blink rate. She has a paucity of speech, poverty of thought. Low volume voice, monotone. Executive functions such as sustained concentration are very, very difficult for her and elicit more irritability. There is positive suicidal ideation. She describes misperceptions. There is psychomotor agitation. She has a modicum of insight and poor judgment. AXIS I diagnoses are major depressive disorder, severe, recurrent with psychotic features versus a bipolar affective disorder. GAF is assessed at about 25. Department Exhibit A, pgs 12-16. Claimant was discharged on or about April 23, 2007. Discharge AXIS I diagnoses were bipolar affective disorder mixed psychotic; [REDACTED] abuse. GAF was assessed at 48-50. Department Exhibit A, pg 19.

(11) September 11, 2007, claimant underwent a psychiatric evaluation and a narrative report was prepared. The report indicates AXIS I diagnosis of major depressive disorder recurrent. GAF was assessed at 45-50. Mental status exam revealed patient to be alert, oriented, appropriately dressed, and cooperative. She walked with a very prominent limp. Her affect is generally speaking appropriately to express thought context. There is no intrusion of overt delusional material. There is no indication of thought process disorder. She does not report auditory or visual hallucinations. There are no reported obsessions, compulsions, or panic attacks. Her mood symptoms are reported as being unstable. Department Exhibit A, pgs 8-10.

(12) July 12, 2007, August 2, 2007, and August 13, 2007, claimant presented to emergency room complaining of back pain. Physical exam on July 12, 2007 revealed no muscle soreness to back and no muscle spasm. Claimant reported some midline tenderness with

palpation. Neurologic exam revealed cranial nerves 2-12 intact. Claimant does have decreased strength to muscle flexing on abduction, forward flexion of the hip, however, does have good activation of the extensor mechanism. Claimant does have diminished strength to extension at the knee. Normal dorsal flexion at the ankle. She can stand on the left leg as long as her knee is completely extended but as soon as she bends the knee, reports that it buckle underneath her. She also shows this buckling with any attempts at ambulation, whenever she applies weight to that left side. She reports diminished sensation over the dorsum of the foot but not the plantar aspect. Normal sensation currently elsewhere on the leg. Claimant states this will tingle at times, depending on positioning but is currently OK. Reflexes appear equal at the patella. Hips are level when standing. Rest of exam is unremarkable. August 13, 2007 physical exam reveals good range of motion in all extremities, good dorsalis pedis and radial pulses equal bilaterally and straight leg raise was negative bilaterally. Back reveals some sciatic pain on the left, worse with palpation, no pain along palpation the spinous processes of the back. Cranial nerves 2-12 assessed and intact. No focal deficit, 5/5 motor sensation intact. DTRs 2/4 throughout. Psych-appropriate thought and mood. Department Exhibit A, pgs 48, 49, 55; Claimant Exhibit A, Report, 8-2-07.

(13) October 20, 2007, claimant underwent MRI of the lumbar spine that revealed the following: degenerative disc disease and disc bulging involving the lumbar spine. These findings are most pronounced at the L2-3 and L3-4 levels. Claimant Exhibit A, Report, 10-20-07.

(14) At last positive decision in June 2007, claimant had been recently hospitalized for depression with psychotic features and suicide ideation. Claimant was released from hospital and was undergoing counseling. At review, claimant was continuing to undergo counseling but her mental condition had significantly improved. Claimant's mood remained unstable but she was gaining insight into her condition. At review, claimant was alert, oriented, appropriately dressed,

and appropriate. Affect was appropriate to expressed thought content. There was no intrusion of delusional material. She did not report auditory or visual hallucinations. She did not report obsessions, compulsions, or panic attacks. At review, claimant had lower back pain with some associated weakness. Objective medical testing revealed degenerative disc disease and disc bulging at the L2-3 and L3-4 levels. The most recent physical exam revealed cranial nerves 2-12 are assessed and intact. No focal deficits, 5/5 motor sensation intact, DTRs 2/4 throughout. Good dorsalis pedis and radial pulses equal bilaterally and straight leg raise negative bilaterally. Back has some sciatic pain on the left, worse with palpation, no pain along palpation of the spinus processes of the back.

(15) At review, claimant has medical improvement or was not disabled at last positive decision.

(16) Claimant is able to perform at least simple, light work activities.

#### 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 was hospitalized early in 2007 due to depression and suicidal ideation. Claimant improved with treatment and has continued to undergo outpatient therapy. In September 2007, claimant's psychiatric assessment is within normal limits with exception of report of fluctuating moods. Claimant has degenerative changes in her lumbar spine that cause pain. Claimant's strength, pulses, and range of motion are intact. Finding of Fact 10-14.

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 doing factory work, truck driver, and process serving. See discussion at Step 2 above. Finding of Fact 9-14. These jobs general require repetitive bending and twisting. These maneuvers appear to be difficult for claimant due to her back condition.

At Step 4, the objective medical evidence of record is sufficient to establish that claimant has 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. 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, see discussion at Step 2 above. Finding of Fact 10-14.

At Step 5, the objective medical evidence of record is sufficient to establish that claimant is capable of performing at least light work activities. Considering claimant's Vocational Profile (younger individual, limited education, and history of unskilled work) and considering Vocational Rule 202.17, 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.

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).

2004 PA 344, Sec. 604, establishes the State Disability Assistance program. It reads in part:

Sec. 604 (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempt from the Supplemental Security Income citizenship requirement who are at least 18 years of age or emancipated minors meeting one or more of the following requirements:

- (a) Recipient of Supplemental Security Income, Social Security or Medical Assistance due to disability or 65 years of age or older.
- (b) A person with a physical or mental impairment which meets federal SSI disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

- (c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance abuse treatment center.
  - (d) A person receiving 30-day post-residential substance abuse treatment.
  - (e) A person diagnosed as having Acquired Immunodeficiency syndrome (AIDs).
  - (f) A person receiving special education services through the local intermediate school district.
  - (g) A caretaker of a disabled person as defined in subdivision (a), (b), (e), or (f) above.
- (2) Applicants for and recipients of the State Disability Assistance program shall be considered needy if they:
- (a) Meet the same asset test as is applied to applicants for the Family Independence Program.
  - (b) Have a monthly budgetable income that is less than the payment standard.
- (3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. 'Material to the determination of disability' means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive State Disability Assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in Alcoholics Anonymous or a similar program. 1995 PA 156, Sec. 605.
- (4) A refugee or asylee who loses his or her eligibility for the federal Supplemental Security Income program by virtue of exceeding the maximum time limit for eligibility as delineated

in Section 402 of Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 U.S.C. 1612, and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the State Disability Assistance program.

**Medical improvement.** Medical improvement is any decrease in the medical severity of your impairment(s) which was present at the time of the most recent favorable medical decision that you were disabled or continued to be disabled. A determination that there has been a decrease in medical severity must be based on changes (improvement) in the symptoms, signs and/or laboratory findings associated with your impairment(s)... 20 CFR 416.994(b)(1)(i).

**Medical improvement not related to ability to do work.** Medical improvement is not related to your ability to work if there has been a decrease in the severity of the impairment(s) as defined in paragraph (b)(1)(i) of this section, present at the time of the most recent favorable medical decision, but no increase in your functional capacity to do basic work activities as defined in paragraph (b)(1)(iv) of this section. If there has been any medical improvement in your impairment(s), but it is not related to your ability to do work and none of the exceptions applies, your benefits will be continued.... 20 CFR 416.994(b)(1)(ii).

**Medical improvement that is related to ability to do work.** Medical improvement is related to your ability to work if there has been a decrease in the severity, as defined in paragraph (b)(1)(i) of this section, of the impairment(s) present at the time of the most recent favorable medical decision **and** an increase in your functional capacity to do basic work activities as discussed in paragraph (b)(1)(iv) of this section. A determination that medical improvement related to your ability to do work has occurred does not, necessarily, mean that your disability will be found to have ended unless it is also shown that you are currently able to engage in substantial gainful activity as discussed in paragraph (b)(1)(v) of this section.... 20 CFR 416.994(b)(1)(iii).

**Functional capacity to do basic work activities.** Under the law, disability is defined, in part, as the inability to do any substantial gainful activity by reason of any medically determinable physical or mental impairment(s)... 20 CFR 416.994(b)(1)(iv).

...A decrease in the severity of an impairment as measured by changes (improvement) in symptoms, signs or laboratory findings can, if great enough, result in an increase in the functional capacity to do work activities.... 20 CFR 416.994(b)(1)(iv)(A).

When new evidence showing a change in signs, symptoms and laboratory findings establishes that both medical improvement has occurred and your functional capacity to perform basic work activities, or residual functional capacity, has increased, we say that medical improvement which is related to your ability to do work has occurred. A residual functional capacity assessment is also used to determine whether you can engage in substantial gainful activity and, thus, whether you continue to be disabled.... 20 CFR 416.994(b)(1)(iv)(A).

...Point of comparison. For purposes of determining whether medical improvement has occurred, we will compare the current medical severity of that impairment(s) which was present at the time of the most recent favorable medical decision that you were disabled or continued to be disabled to the medical severity of that impairment(s) at that time.... 20 CFR 416.994(b)(1)(vii).

...If medical improvement has occurred, we will compare your current functional capacity to do basic work activities (i.e., your residual functional capacity) based on the previously existing impairments with your prior residual functional capacity in order to determine whether the medical improvement is related to your ability to do work. The most recent favorable medical decision is the latest decision involving a consideration of the medical evidence and the issue of whether you were disabled or continued to be disabled which became final. 20 CFR 416.994(b)(1)(vi).

At Step 1, claimant's impairments do not meet or equal any Social Security listing.

At Step 2, at positive decision, claimant had been recently hospitalized for depression with psychosis and suicidal ideation. She was beginning outpatient therapy. At review, claimant has continued to undergo outpatient therapy. Her mental status is within normal limits with the exception of reported mood fluctuations. See discussion at Step 2, above, for MA. Finding of Fact 10-14.

At Step 3, claimant has medical improvement since the last positive decision. See discussion at Step 2 above. Finding of Fact 10-14.

At Step 4, claimant's medical improvement is related to her ability to perform work. See Step 3 above.

At Step 5, the objective medical evidence of record indicates that claimant has degenerative changes in her lumbar spine. She has pain but no neurological or functional impairments due to this condition. Finding of Fact 10-14. Therefore, the objective medical evidence of record is sufficient to establish that claimant does not have current severe impairments that prevent all work for 12 months or more.

At Step 6, claimant's past relevant employment has been doing factory labor, truck driving and process serving. The objective medical evidence of record appears to indicate that claimant is not able to perform repetitive bending and twisting. See discussion at Steps 2 and 4 above, for MA. Finding of Fact 9-14. Employment such as claimant's past relevant employment typically requires these activities. Therefore, the medical evidence of record is sufficient to establish that claimant has impairments that are so severe as to prevent claimant from performing the tasks required by her past relevant employment.

At Step 7, the objective medical evidence of record establishes that claimant has low back pain and is undergoing therapy for bipolar disorder. Claimant has no neurologic or functional impairments due to her back condition. She continues to report fluctuating moods but mental status exam was within normal limits. See discussion at Step 2 above, for MA. Finding of Fact 10-14. Accordingly, the objective medical evidence of record is sufficient to establish that claimant is able to perform at least simple light work activities. Considering claimant's

vocational profile (which is younger individual, limited education, and history of unskilled work) and considering Vocational Rule 202.17, claimant is not disabled.

After careful examination of the record and for reasons discussed above, the Administrative Law Judge decides that claimant does not have severe impairments that prevent work for 90 days or more. Therefore, claimant no longer qualifies for SDA based on disability.

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 and the department has established that claimant is no longer disabled at medical review for State Disability Assistance.

Accordingly, the department's action is, hereby, UPHELD.

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

Date Signed: December 2, 2009

Date Mailed: December 8, 2009

**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.



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