

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: 2008-17183
Issue No: 2009
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
October 16, 2008
Monroe County DHS

ADMINISTRATIVE LAW JUDGE: Linda Steadley Schwarb

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 October 16, 2008. Claimant appeared and testified. Claimant was represented by [REDACTED]

[REDACTED] Following the hearing, the record was kept open for the receipt of additional medical evidence. Additional documents were received and reviewed.

ISSUE

Did the Department of Human Services (DHS or department) properly determine that claimant is not "disabled" for purposes of the Medical Assistance (MA-P) program?

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 February 6, 2008, an application was filed on claimant's behalf for MA-P benefits. The application requested MA-P retroactive to January of 2008.

(2) On March 15, 2008, the department denied claimant's application for benefits based upon the belief that claimant did not meet the requisite disability criteria.

(3) On March 28, 2008, a hearing request was filed to protest the department's determination.

(4) Claimant, age 41, has an associate degree in general studies.

(5) Claimant last worked in December of 2007 as a truck driver. Claimant has also performed relevant work as a manager in a [REDACTED]

(6) Claimant was hospitalized [REDACTED] through [REDACTED]. His final diagnosis was as follows: infected stasis ulcers secondary to methicillin-resistant *Staphylococcus aureus*; acute cellulitis of the bilateral lower extremities secondary to ulcers; chronic stasis edema; chronic venous insufficiency of the bilateral lower extremities; adult onset diabetes; hypertension; morbid obesity; and obstructive sleep apnea.

(7) Claimant suffers from congestive heart failure; insulin-dependent diabetes mellitus with diabetic neuropathy of the upper and lower extremities and diabetic retinopathy; morbid obesity; chronic venous insufficiency; hypertension; depression secondary to general medical condition; chronic pain disorder; and chronic right shoulder pain.

(8) Claimant has severe limitations upon his ability to walk, stand, sit, lift, and carry as well as limitations with regard to his capacity for seeing. Claimant's limitations have lasted or are expected to last 12 months or more.

(9) Claimant's complaints and allegations concerning his impairments and limitations, when considered in light of all objective medical evidence, as well as the record as a whole, reflect an individual who is so impaired as to be incapable of engaging in any substantial gainful activity on a regular and continuing basis.

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).

Federal regulations require that the department use the same operative definition for “disabled” as used for Supplemental Security Income (SSI) under Title XVI of the Social Security Act. 42 CFR 435.540(a).

“Disability” is:

...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

In determining whether an individual is disabled, 20 CFR 416.920 requires the trier of fact to follow a sequential evaluation process by which current work activity, the severity of the impairment(s), residual functional capacity, and vocational factors (i.e., age, education, and work experience) are assessed in that order. When a determination that an individual is or is not disabled can be made at any step in the sequential evaluation, evaluation under a subsequent step is not necessary.

First, the trier of fact must determine if the individual is working and if the work is substantial gainful activity. 20 CFR 416.920(b). In this case, claimant is not working.

Therefore, claimant may not be disqualified for MA at this step in the sequential evaluation process.

Secondly, in order to be considered disabled for purposes of MA, a person must have a severe impairment. 20 CFR 416.920(c). A severe impairment is an impairment which significantly limits an individual's physical or mental ability to perform basic work activities. Basic work activities means 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).

The purpose of the second step in the sequential evaluation process is to screen out claims lacking in medical merit. *Higgs v. Bowen* 880 F2d 860, 862 (6th Cir, 1988). As a result, the department may only screen out claims at this level which are "totally groundless" solely from a medical standpoint. The *Higgs* court used the severity requirement as a "*de minimus* hurdle" in the disability determination. The *de minimus* standard is a provision of a law that allows the court to disregard trifling matters.

In this case, claimant has presented the required medical data and evidence necessary to support a finding that he has significant physical and mental limitations upon his ability to perform basic work activities such as walking, standing, sitting, lifting, pushing, pulling,

reaching, carrying, or handling; capacities for seeing; and dealing with changes in a routine work setting. Medical evidence has clearly established that claimant has an impairment (or combination of impairments) that has more than a minimal effect on claimant's work activities. See Social Security Rulings 85-28, 88-13, and 82-63.

In the third step of the sequential consideration of a disability claim, the trier of fact must determine if the claimant's impairment (or combination of impairments) is listed in Appendix 1 to Subpart P of 20 CFR, Part 404. This Administrative Law Judge finds that the claimant's medical record will not support a finding that claimant's impairment(s) is a "listed impairment" or equal to a listed impairment. See Appendix 1 to Subpart P of 20 CFR, Part 404, Part A. Accordingly, claimant cannot be found to be disabled based upon medical evidence alone. 20 CFR 416.920(d).

In the fourth step of the sequential consideration of a disability claim, the trier of fact must determine if the claimant's impairment(s) prevents her from doing past relevant work. 20 CFR 416.920(e). It is the finding of this Administrative Law Judge, based upon the medical evidence and objective, physical and psychological findings, that claimant is not capable of the walking, standing, sitting, or lifting required by his past employment. Claimant has presented the required medical data and evidence necessary to support a finding that he is not, at this point, capable of performing such work.

In the fifth step of the sequential consideration of a disability claim, the trier of fact must determine if the claimant's impairment(s) prevents claimant from doing other work. 20 CFR 416.920(f). This determination is based upon the claimant's:

- (1) residual functional capacity defined simply as "what can you still do despite your limitations?" 20 CFR 416.945;
- (2) age, education, and work experience, 20 CFR 416.963-.965; and

- (3) the kinds of work which exist in significant numbers in the national economy which the claimant could perform despite his/her limitations. 20 CFR 416.966.

See *Felton v DSS* 161 Mich. App 690, 696 (1987). Once claimant reaches Step 5 in the sequential review process, claimant has already established a *prima facie* case of disability. *Richardson v Secretary of Health and Human Services*, 735 F2d 962 (6th Cir, 1984). At that point, the burden of proof is on the state to prove by substantial evidence that the claimant has the residual functional capacity for substantial gainful activity.

In this matter, claimant has had a history of diabetes, hypertension, and depression. He was hospitalized in January of 2008 as a result of infected ulcers on his lower extremities. His discharge diagnosis was infected stasis ulcers secondary to methicillin-resistant *Staphylococcus aureus*; acute cellulitis of the bilateral lower extremities secondary to ulcers; chronic stasis edema; chronic venous insufficiency of the bilateral lower extremities; adult onset diabetes; hypertension; morbid obesity; and obstructive sleep apnea. Claimant was seen by an endocrinologist on January 3rd of 2008 who diagnosed him with uncontrolled diabetes mellitus, congestive heart failure, and hypertension. On October 22, 2008, ophthalmologist [REDACTED] diagnosed claimant with proliferative diabetic retinopathy of the bilateral eyes. With best correction, [REDACTED] opined that claimant was capable of 20/40 in the right eye and 20/80 in the left eye. Claimant was evaluated by a consulting psychologist for the department on November 15, 2008. The consultant diagnosed claimant with depression secondary to general medical condition and chronic pain disorder. Claimant was given a current GAF score of 45 to 50 with a “very guarded” prognosis. The consultant found that claimant was moderately limited with regard to the ability to carry out detailed instructions; maintain attention and concentration for extended periods; perform activities within a schedule, maintain regular attendance, and be punctual within customary tolerances; sustain an ordinary routine without

supervision; work in coordination with or proximity to others without being distracted by them; get along with co-workers or peers without distracting them or exhibiting behavioral extremes; and maintaining socially appropriate behavior and to adhere to basic standards or neatness and cleanliness. Claimant was seen by a consulting internist for the department on November 15, 2008. The consultant provided the following impressions: extreme obesity, uncontrolled insulin controlling diabetes mellitus; diabetic neuropathy with decreased touch over the toes bilaterally; exertional dyspnea with edema of both legs (most likely secondary to congestive heart failure); and proliferative diabetic neuropathy in both eyes. The consultant indicated that claimant was unable to read an eye chart. The consultant also found that claimant had chronic right shoulder pain possibly secondary to rotator cuff tendonitis of the right shoulder. The consultant provided the following medical source statement:

Based on the history and physical examination, this patient cannot do an 8-hour job involving standing or walking due to extreme obesity, congestive heart failure and exertional dyspnea with walking across the room. He also cannot do any lifting over 5 pounds secondary to the dyspnea. He cannot climb stairs and cannot climb ladders.

The consultant opined that claimant was limited to occasionally lifting less than 10 pounds as well as limited to standing and walking less than 2 hours in an 8 hours work day and sitting less than 6 hours in an 8 hour work day.

After careful review of claimant's extensive medical record and the Administrative Law Judge's personal interaction with claimant at the hearing, this Administrative Law Judge finds that claimant's exertional and non-exertional impairments render claimant unable to engage in a full range of even sedentary work activities on a regular and continuing basis. 20 CFR 404, Subpart P. Appendix 11, Section 201.00(h). See Social Security Ruling 83-10; *Wilson v Heckler*, 743 F2d 216 (1986). The department has failed to provide vocational evidence which establishes that claimant has the residual functional capacity for substantial gainful activity and

that, given claimant's age, education, and work experience, there are significant numbers of jobs in the national economy which the claimant could perform despite claimant's limitations.

Accordingly, this Administrative Law Judge concludes that claimant is disabled for purposes of the MA program.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that claimant meets the definition of medically disabled under the Medical Assistance program as of January of 2008.

Accordingly, the department is ORDERED to initiate a review of the February 6, 2008 application, if it has not already done so, to determine if all other non-medical eligibility criteria are met. The department shall inform claimant and his authorized representative of its determination in writing. Assuming that claimant is otherwise eligible for program benefits, the department shall review claimant's continued eligibility for program benefits in March of 2010.

/s/ _____
Linda Steadley Schwarb
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 6/16/09

Date Mailed: 6/22/09

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 mailing date of the rehearing decision.

LSS/cv

cc:

