

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: 2008-21386  
Issue No: 2009/4031  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
August 13, 2008  
Calhoun County DHS

ADMINISTRATIVE LAW JUDGE: Marlene B. Magyar

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 on August 13, 2008. Claimant personally appeared and testified. He was assisted by

[REDACTED]

ISSUE

Did the department properly determine claimant is not disabled by Medicaid (MA) and State Disability Assistance (SDA) eligibility standards?

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 married, 57-year-old [REDACTED] era soldier (cook/door gunner) and alcoholic in self-reported remission since 2007 who completed 11<sup>th</sup> grade; he stands

approximately 5'11" tall and weighs approximately 180 pounds (Department Exhibit #1, pgs 27, 29 and 76).

(2) Claimant was approved eligible for a short-term, disability-based monthly cash grant (SDA) in September, 2007 because he had a brief hospitalization at [REDACTED] in August, 2007, secondary to an episode of severe hypertension (224/112)(Department Exhibit #1, pgs 53, 57 and 58).

(3) At medical review, claimant's SDA was terminated and his concurrently filed MA application was denied based on the department's finding he is not disabled under the governing rules (Department Exhibit #1, pgs 1 and 2).

(4) Claimant's 2007 hospital admission blood panel was positive for opiates used secondary to chronic neck pain, per self report (Department Exhibit #1, pg 48).

(5) A follow-up outpatient physical done on August 24, 2007 notes claimant's blood pressure was under control and he had no known history of coronary artery disease (Department Exhibit #1, pgs 5 and 6).

(6) Five views of claimant's cervical spine done the previous year (8/25/06) showed minimal osteoarthritic changes at C5-6 and C6-7; additionally, minimal foraminal encroachment at C4-5 on the left was noted (Department Exhibit #1, pg 111).

(7) Claimant's September, 2006 cervical MRI scan confirms a moderate sized left paracentral disc osteophyte complex at C4-5 with cord displacement and deformity (Department Exhibit #1, pg 109).

(8) Claimant underwent physical therapy in November and December 2006; he was discharged with goal attainment achieved; no additional intervention was required and continuation of home exercises was recommended (Department Exhibit #1, pg 105).

(9) Claimant's most recent work has been in unskilled, heavy exertional lumberyards; he left his last position in 2006 and he has been unemployed since then.

(10) At claimant's hospital admission in August, 2007, the admitting physician noted:

...Significant for poorly controlled hypertension. It sounds like he is not on a regular medical regimen. He gets samples and mixes around his medications a lot. He denies any coronary disease but does report he has chronic obstructive pulmonary disease. Denies diabetes, ulcers, asthma, seizures, and cancer diagnoses (Department Exhibit #1, pg 57).

(11) Claimant's September, 2007 heart catheterization revealed nonobstructive epicardial coronary artery disease with mild LV systolic function (Department Exhibit #1, pgs 3 and 4).

(12) Claimant's medication schedule originally included the standard high blood pressure management drugs ( [REDACTED] ), along with [REDACTED] and [REDACTED] for neck discomfort and a sleeping pill for self-reported insomnia ( [REDACTED] )(Department Exhibit #1, pgs 5 and 6).

(13) Claimant stopped taking prescription pain medications in January, 2008 (Department Exhibit #1, pg 19).

(14) Claimant has an extensive tobacco abuse history and he was still smoking over a pack a day as of his August 13, 2008 hearing date (one year post [REDACTED] episode)(See also Finding of Fact #2 above).

(15) Claimant's chest x-rays done in August, 2006 revealed no evidence of acute pulmonary disease and clear lung fields despite his extensive smoking habit (Department Exhibit #1, pg 110).

(16) During an independent consultative examination on August 29, 2008, the doctor reviewed claimant's cervical x-rays and MRI scan referenced in Finding of Fact #6 and #7

above; he opined claimant's disc abnormalities would limit claimant from functioning in his usual capacity as a heavy laborer.

(17) Claimant briefly attended outpatient depression counseling at [REDACTED] between April and October, 2007; the stated reason for discharge was "customer did not return for services" (Client Exhibit A).

(18) During a clinical assessment of claimant done at [REDACTED] on September 24, 2007, he exhibited normal gait, muscle strength and tone, speech, judgment, memory, attention and fund of knowledge (Client Exhibit A).

(19) Claimant stated at hearing his hobby is listening to his police scanner and going to accident scenes to assist those in need like he did in the 1970s when he was actually part of a volunteer ambulance crew.

(20) Claimant stated at hearing he believes he is physically capable of lifting 30 to 40 pounds.

#### 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).

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

The SDA program differs from the federal MA regulations in that the durational requirement is 90 days. This means that the person's impairments must meet the SSI disability standards for 90 days in order for that person to be eligible for SDA benefits.

The person claiming a physical or mental disability has the burden to establish it through the use of competent medical evidence from qualified medical sources such as his or her medical history, clinical/laboratory findings, diagnosis/prescribed treatment, prognosis for recovery and/or medical assessment of ability to do work-related activities or ability to reason and to make appropriate mental adjustments, if a mental disability is being alleged, 20 CFR 416.913. An individual's subjective pain complaints are not, in and of themselves, sufficient to establish disability. 20 CFR 416.908 and 20 CFR 416.929. By the same token, a conclusory statement by a physician or mental health professional that an individual is disabled or blind is not sufficient without supporting medical evidence to establish disability. 20 CFR 416.929.

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).

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.

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).

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).

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).

If an individual fails to follow prescribed treatment which would be expected to restore their ability to engage in substantial gainful activity without good cause, there will not be a finding of disability.... 20 CFR 416.994(b)(4)(iv).

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).

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).

Claimant is not disqualified from receiving MA/SDA at Step 1, because he has not been gainfully employed since 2006. However, it must be noted claimant stated his job ended because the new management was in the process of changing workmen, and also, he felt the lumber yard was actually in the process of going out of business (See Independent Medical Evaluation dated 8/29/08). Neither of these reasons establishes a physical or mental condition which would have prevented claimant's work continuation, had the circumstances been different. Nevertheless, claimant's lack of employment requires further inquiry into his allegedly disabling status.

At Step 2, claimant's diagnosed physical impairments, in combination, have left him with some range of motion limitations and pain. However, it must be noted no severe mental impairments have been shown, and claimant's diagnosed conditions appear fully capable of adequate symptom management with the current medication schedule as long as compliance is maintained.

Furthermore, it must be noted the law does not require an applicant to be completely symptom free before a finding of lack of disability can be rendered. In fact, if an applicant's symptoms can be managed to the point where substantial gainful employment can be achieved, a

finding of not disabled must be rendered. Nevertheless, claimant's medically managed physical impairments meet the *de minimus* level of severity and duration required for further analysis.

At Step 3, the medical evidence on this record does not support a finding that claimant's diagnosed impairments, standing alone or combined, are severe enough to meet or equal any specifically listed impairments; consequently, the analysis must continue.

At Step 4, the record reveals claimant cannot be medically cleared to return to heavy manual labor due to his diagnosed cervical impairments. As such, this analysis must continue.

At Step 5, an individual's age, education and previous work experience (vocational factors) must be assessed in light of the documented impairments. Claimant is 57 years old with an 11<sup>th</sup> grade education and an unskilled work history. Consequently, at Step 5, this Administrative Law Judge finds, from the medical evidence of record, that claimant retains the residual functional capacity to perform medium work, as that term is defined above.

Claimant's biggest barriers to employability appear to be his displacement from his longstanding lumber yard work, in combination with his lack of any recent connection to the competitive work force. Claimant should be referred to [REDACTED] for assistance with job training and/or placement consistent with his skills, interests and abilities. Claimant is not disabled under the MA/SDA definitions, because he can return to medium work, as directed by Medical-Vocational Rule 203.11.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the department properly determined claimant is not disabled by MA/SDA eligibility standards.

Accordingly, the department's action is AFFIRMED.

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

Date Signed: June 18, 2009

Date Mailed: June 22, 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.

MBM/db

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