

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: 200929653  
Issue No: 2009  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
September 30, 2009  
Macomb County DHS

ADMINISTRATIVE LAW JUDGE: Robert J. Chavez

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 September 30, 2009.

ISSUE

Was the denial of claimant's application for MA-P for lack of disability correct?

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 applied for MA-P on April 9, 2009.
- (2) Claimant is 50 years old.
- (3) Claimant has a high school education and one year of college.
- (4) Claimant is not currently working.
- (5) Claimant has a prior work history consisting of a mold maker.

- (6) Claimant performed work under the mold maker position at the medium/heavy exertional level.
- (7) Claimant has a history of sport related head injuries.
- (8) In 2004, claimant was involved in an automobile accident and sustained a head injury.
- (9) Claimant experiences episodes of dizziness since the accident.
- (10) Claimant also has a history of heart disease.
- (11) Claimant was hospitalized for chest pain in [REDACTED] and [REDACTED] and [REDACTED].
- (12) Claimant underwent quadruple coronary artery bypass surgery in [REDACTED].
- (13) On [REDACTED], claimant was admitted into [REDACTED] Medical Center with complaint of chest pain. A left ventriculography showed an estimated left ventricular ejection fraction of 55 percent. An Echocardiogram showed a left atrium dimension of 4.1 cm.
- (14) Claimant was discharged on [REDACTED] with medication and activity limitations.
- (15) On [REDACTED], an independent Department examiner completed a physical examination.
- (16) Claimant was diagnosed with hypertension.
- (17) Claimant did not exhibit shortness of breath on normal physical exertion.
- (18) Claimant has crepitus in both knee joints; however, there is no swelling, pain, limitation of movement, or crepitus in any other joint.
- (19) Claimant was able to ambulate without an assistive device, able to walk tiptoe, on heel and tandem gait, able to squat and raise from squatting, able to get on and off

the examination table without assistance, able to dress, undress, and open doors, and able to use his fingers.

- (20) On [REDACTED], an independent Department examiner completed a psychiatric/psychological medical report.
- (21) Claimant was diagnosed with anxiety and depressive disorder.
- (22) Claimant was able to recall 2 out of 3 objects after 3 minutes and able to subtract serial 7s from 100 with only one mistake, had a stream of mental activity that was slightly slow but organized, had ongoing suicidal ideations, and experienced difficulty rising from his seat due to dizziness.
- (23) Claimant received a GAF of 47 with a fair to guarded prognosis.
- (24) Claimant takes several medications for his conditions, including Lisinopril, Pravastatin, Xanax, Isosorbide, Nitroglycerin, Plavix, Celexa, and Metoprolol.
- (25) On May 13, 2009, the Medical Review Team denied MA-P, stating that claimant was capable of performing other work under the Medical/Vocational grid rules found at 20 CFR 416.920(f).
- (26) On June 3, 2009, claimant filed for hearing.
- (27) On July 29, 2009, the State Hearing Review Team denied MA-P, stating that claimant was capable of performing other work.
- (28) SHRT concluded that claimant was capable of simple, unskilled, light work, denying claimant's MA-P under vocational rule 202.21.
- (29) On September 30, 2009, a hearing was held before the Administrative Law Judge.

#### 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 of the term “disabled” as is used by the Social Security Administration for Supplemental Security Income (SSI) under Title XVI of the Social Security Act. 42 CFR 435.540(a).

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

This is determined by a five step sequential evaluation process where current work activity, the severity and duration of the impairment(s), statutory listings of medical impairments, residual functional capacity, and vocational factors (i.e., age, education, and work experience) are considered. These factors are always considered in order according to the five step sequential evaluation, and when a determination can be made at any step as to the claimant’s disability status, no analysis of subsequent steps are necessary. 20 CFR 416.920

The first step that must be considered is whether the claimant is still partaking in Substantial Gainful Activity (SGA). 20 CFR 416.920(b). To be considered disabled, a person must be unable to engage in SGA. A person who is earning more than a certain monthly amount (net of impairment-related work expenses) is ordinarily considered to be engaging in SGA. The amount of monthly earnings considered as SGA depends on the nature of a person's disability; the Social Security Act specifies a higher SGA amount for statutorily blind individuals and a

lower SGA amount for non-blind individuals. Both SGA amounts increase with increases in the national average wage index. The monthly SGA amount for statutorily blind individuals for 2009 is \$1,640. For non-blind individuals, the monthly SGA amount for 2009 is \$980.

In the current case, claimant has testified that he is not working, and the Department has presented no evidence or allegations that claimant is engaging in SGA. Therefore, the Administrative Law Judge finds that the claimant is not engaging in SGA, and thus passes the first step of the sequential evaluation process.

The second step that must be considered is whether or not the claimant has a severe impairment. A severe impairment is an impairment expected to last 12 months or more (or result in death), which significantly limits an individual's physical or mental ability to perform basic work activities. The term "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 (6<sup>th</sup> Cir, 1988). As a result, the Department may only screen out claims at this level which are "totally groundless" solely

from a medical standpoint. This is a *de minimus* standard in the disability determination that the court may use only to disregard trifling matters. As a rule, any impairment that can reasonably be expected to significantly impair basic activities is enough to meet this standard.

In the current case, claimant has presented medical evidence of a heart condition and a closed head injury that severely restricts his physical activity, according to the great weight of the evidence by both the Department and claimant's treating source. An independent Department examiner noted that claimant has trouble rising from his seat during an examination because of dizziness. Additionally, claimant was admitted into [REDACTED] Medical Center with complaint of chest pain and was discharged the next day with activity limitations. Claimant thus passes step two of our evaluation.

In the third step of the sequential evaluation, we must determine if the claimant's impairment is listed in Appendix 1 of Subpart P of 20 CFR, Part 404. This is, generally speaking, an objective standard; either claimant's impairment is listed in this appendix, or it is not. However, at this step, a ruling against the claimant does not direct a finding of "not disabled"; if the claimant's impairment does not meet or equal a listing found in Appendix 1, the sequential evaluation process must continue on to step four.

The Administrative Law Judge finds that the claimant's medical records do not contain medical evidence of an impairment that meets or equals a listed impairment.

In making this determination, the undersigned has considered listings in Section 4.00 (Cardiovascular System). A listings disability finding for chronic heart disease requires, among other things, either an ejection fraction of 30 percent or less or an enlarged left atrium greater than or equal to 4.5 cm. None of the medical evidence thus far presented to the Administrative Law Judge show that claimant meets either of these requirements. On [REDACTED], claimant

underwent a left ventriculography, which showed an estimated left ventricular ejection fraction of 55 percent. Similarly, an echocardiogram showed a left atrium dimension of 4.1 cm.

Therefore, claimant does not meet the listing for chronic heart failure.

The Administrative Law Judge has also considered listings in Section 12.00 (Mental Disorders). A listings disability finding for organic mental disorder requires, among other things, at least two of the following: marked restriction of activities of daily living; marked difficulty in maintain social function; marked difficulty in maintaining concentration, persistence, or pace; or repeated episodes of decompensation, each of extended duration.

Claimant's medical records do not contain medical evidence of repeated episodes of decompensation or marked difficulty in maintaining concentration, persistence, or pace. Claimant was able to recall 2 out of 3 objects after 3 minutes and able to subtract serial 7s from 100 with one minor error. Although claimant has some restrictions in daily activity, such as participating in housekeeping duties, these restrictions are moderate at best and do not rise to the marked level. Claimant is able to maintain personal hygiene, drive, dress and undress, cook, and participate in minor cleaning. While claimant received a GAF of 47, which suggests a serious impairment in social, occupational, or school functioning, a finding of marked difficulty in maintaining social function is insufficient by itself to meet the listing for organic mental disorder.

Therefore, the claimant cannot be found to be disabled at this step, based upon medical evidence alone. 20 CFR 416.920(d). We must thus proceed to the next steps, and evaluate claimant's vocational factors.

Evaluation under the disability regulations requires careful consideration of whether the claimant can do past relevant work (PRW), which is our step four, and if not, whether they can

reasonably be expected to make vocational adjustments to other work, which is our step five.

When the individual's residual functional capacity (RFC) precludes meeting the physical and mental demands of PRW, consideration of all facts of the case will lead to a finding that

- 1) the individual has the functional and vocational capacity to for other work, considering the individual's age, education and work experience, and that jobs which the individual could perform exist in significant numbers in the national economy, or
- 2) The extent of work that the claimant can do, functionally and vocationally, is too narrow to sustain a finding of the ability to engage in SGA. SSR 86-8.

Given that the severity of the impairment must be the basis for a finding of disability, steps four and five of the sequential evaluation process must begin with an assessment of the claimant's functional limitations and capacities. After the RFC assessment is made, we must determine whether the individual retains the capacity to perform PRW. Following that, an evaluation of the claimant's age, education and work experience and training will be made to determine if the claimant retains the capacity to participate in SGA.

RFC is an assessment of an individual's ability to do sustained work-related physical and mental activities in a work setting on a regular and continuing basis—meaning 8 hours a day, 5 days a week, or an equivalent work schedule. RFC assessments may only consider functional limitations and restrictions that result from a claimant's medically determinable impairment, including the impact from related symptoms. It is important to note that RFC is not a measure of the least an individual can do despite their limitations, but rather, the most. Furthermore, medical impairments and symptoms, including pain, are not intrinsically exertional or nonexertional; the functional limitations caused by medical impairments and symptoms are placed into the exertional and nonexertional categories. SSR 96-8p, 20 CFR 416.945 (a).



However, our RFC evaluations must necessarily differ between steps four and five. At step four of the evaluation process, RFC must not be expressed initially in terms of the step five exertional categories of “sedentary”, “light”, “medium”, “heavy”, and “very heavy” work because the first consideration in step four is whether the claimant can do PRW as they actually performed it. Such exertional categories are useful to determine whether a claimant can perform at her PRW as is normally performed in the national economy, but this is generally not useful for a step four determination because particular occupations may not require all of the exertional and nonexertional demands necessary to do a full range of work at a given exertional level. SSR 96-8p.

Therefore, at this step, it is important to assess the claimant’s RFC on a function-by-function basis, based upon all the relevant evidence of an individual’s ability to do work related activities. Only at step 5 can we consider the claimant’s exertional category.

An RFC assessment must be based on all relevant evidence in the case record, such as medical history, laboratory findings, the effects of treatments (including limitations or restrictions imposed by the mechanics of treatment), reports of daily activities, lay evidence, recorded observations, medical treating source statements, effects of symptoms (including pain) that are reasonably attributed to the impairment, and evidence from attempts to work. SSR 96-8p.

RFC assessments must also address both the remaining exertional and nonexertional capacities of the claimant. Exertional capacity addresses an individual’s limitations and restrictions of physical strength, and the claimant’s ability to perform everyday activities such as sitting, standing, walking, lifting, carrying, pushing and pulling; each activity must be considered separately. Nonexertional capacity considers all work-related limitations and restrictions that do

not depend on an individual's physical strength, such as the ability to stoop, climb, reach, handle, communicate and understand and remember instructions.

Symptoms, such as pain, are neither exertional or nonexertional limitations; however such symptoms can often affect the capacity to perform activities as contemplated above and thus, can cause exertional or nonexertional limitations. SSR 96-8.

In the current case, it is undisputed that claimant has a heart condition that limits his tolerance of exertional activities. Even though claimant received a quadruple coronary artery bypass surgery in [REDACTED], claimant continued to complain of chest pain in [REDACTED]. On [REDACTED], claimant was admitted into [REDACTED], and claimant was discharged on [REDACTED] with activity limitations. Additionally, claimant suffered a closed head injury during an automobile accident in 2004. Claimant reported experiencing dizziness ever since that accident. Consistent with claimant's report, an independent Department examiner noted that claimant had difficulty rising from his seat during an examination.

From these reports, the Administrative Law Judge concludes that claimant has a disabling impairment when considering functions that cause physical exertion, such as carrying and lifting, and walking and standing. Claimant has no limitations in the use of his hands for manipulation. Claimant should avoid climbing and operating heavy machinery. Claimant has no postural limitations (e.g. stooping), visual limitations or communicative (hearing, speaking) limitations.

Claimant's PRW includes a mold maker. This job, as typically performed and described by the claimant, require lifting medium to heavy objects. Additionally, it requires the operation of heavy machinery and constant standing. Therefore, given the functional requirements as stated by claimant (which is consistent with how this job is typically performed) for this job, and

claimant's functional limitations as described above, the Administrative Law Judge concludes that claimant does not retain the capacity to perform his past relevant work.

In the fifth step of the sequential consideration of a disability claim, the Administrative Law Judge 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).

At step five, RFC must be expressed in terms of, or related to, the exertional categories when the adjudicator determines whether there is other work that the individual can do. However, in order for an individual to do a full range of work at a given exertional level, such as sedentary, the individual must be able to perform substantially all of the exertional **and nonexertional functions** required at that level. SSR 96-8p. The individual has the burden of proving that they are disabled and of raising any issue bearing on that determination or decision. SSR 86-8.

If the remaining physical and mental capacities are consistent with meeting the physical and mental demands of a significant number of jobs in the national economy, and the claimant has the vocational capabilities (considering age, education and past work experience) to make an adjustment to work different from that performed in the past, it shall be determined that the claimant is not disabled. However, if the claimant's physical, mental and vocational capacities

do not allow the individual to adjust to work different from that performed in the past, it shall be determined at this step that the claimant is disabled. SSR 86-8.

For the purpose of determining the exertional requirements of work in the national economy, jobs are classified as “sedentary”, “light”, “medium”, “heavy”, and “very heavy”. These terms have the same meaning as are used in the *Dictionary of Occupational Titles*. In order to evaluate the claimant’s skills and to help determine the existence in the national economy of work the claimant is able to do, occupations are classified as unskilled, semiskilled and skilled. SSR 86-8.

These aspects are tied together through use of the rules established in Appendix 2 to Subpart P of the regulations (*20 CR 404, Appendix 2 to Subpart P, Section 200-204 et. seq*) to make a determination as to disability. They reflect the analysis of the various vocational factors (i.e., age, education, and work experience) in combination with the individual's residual functional capacity (used to determine his or her maximum sustained work capability for sedentary, light, medium, heavy, or very heavy work) in evaluating the individual's ability to engage in substantial gainful activity in other than his or her vocationally relevant past work. Where the findings of fact made with respect to a particular individual's vocational factors and residual functional capacity coincide with all of the criteria of a particular rule, the rule directs a conclusion as to whether the individual is or is not disabled. 20 CFR 404, Subpart P, Appendix 2, Rule 200.00(a).

In the application of the rules, the individual's residual functional capacity, age, education, and work experience must first be determined. The correct disability decision (i.e., on the issue of ability to engage in substantial gainful activity) is found by then locating the individual's specific vocational profile. Since the rules are predicated on an individual's having

an impairment which manifests itself by limitations in meeting the strength requirements of jobs, they may not be fully applicable where the nature of an individual's impairment does not result in such limitations, e.g., certain mental, sensory, or skin impairments. 20 CFR 404, Subpart P, Appendix 2, Rule 200.00(c)-200.00(d).

In the evaluation of disability where the individual has solely a nonexertional type of impairment, determination as to whether disability exists shall be based on the principles in the appropriate sections of the regulations, giving consideration to the rules for specific case situations. The rules do not direct factual conclusions of disabled or not disabled for individuals with solely nonexertional types of impairments. 20 CFR 404, Subpart P, Appendix 2, Rule 200.00(e)(1).

However, where an individual has an impairment or combination of impairments resulting in both strength limitations and nonexertional limitations, the rules are considered in determining first whether a finding of disabled may be possible based on the strength limitations alone; if not, the rule(s) reflecting the individual's maximum residual strength capabilities, age, education, and work experience provide a framework for consideration of how much the individual's work capability is further diminished in terms of any types of jobs that would be contraindicated by the nonexertional limitations. Furthermore, when there are combinations of nonexertional and exertional limitations which cannot be wholly determined under the rules, full consideration must be given to all of the relevant facts in the case in accordance with the definitions and discussions of each factor in the appropriate sections of the regulations, which will provide insight into the adjudicative weight to be accorded each factor.

Claimant is fifty years old, with one year of college and history of skilled work performed at the medium and heavy exertional levels. Claimant's exertional impairments likely

render claimant able to perform work at the sedentary level. Although claimant's medical records do not contain a specific lifting restriction, considering claimant's allegation of dizziness, which is supported by an independent Department examiner's observations, claimant should avoid work that requires considerable standing and/or walking. Furthermore, claimant's considerable cardiovascular conditions are consistent with medical records that show that claimant would have considerable difficulty in any occupation that required frequent lifting, walking, or standing. Claimant's limitations are consistent with sedentary work, which only requires standing and/or walking 2 hours in an 8 hour day.

Individuals approaching advanced age (age 50-54) may be significantly limited in vocational adaptability if they are restricted to sedentary work. When such individuals have no past work experience or can no longer perform vocationally relevant past work and have no transferable skills, a finding of disabled is ordinarily warranted. However, recently completed education which provides for direct entry into sedentary work will preclude such a finding. For this age group, even a high school education or more (ordinarily completed in the remote past) would have little impact for effecting a vocational adjustment unless relevant work experience reflects use of such education. 20 CFR 404, Subpart P, Appendix 2, Rule 201.00(g)

Claimant's prior work experience was as a mold maker, which, by claimant's testimony, required specific skills in order to operate the machinery in question.

Because claimant's PRW consisted of skilled work, the undersigned must therefore determine whether the skills in question are transferable to other positions in the national economy at the sedentary RFC level. Transferability means applying work skills which a person has demonstrated in vocationally relevant past jobs to meet the requirements of other skilled or semiskilled jobs. SSR 82-41.

Transferability is most probable and meaningful among jobs in which - -

- (i) The same or a lesser degree of skill is required;
- (ii) The same or similar tools and machines are used; and
- (iii) The same or similar raw materials, products, processes, or services are involved. 20 C.F.R. § 404.1568(d)(2)

The Department has failed to provide vocational evidence which establishes that claimant has or retains skills that are transferable to other jobs or kinds of work. Furthermore, the Administrative Law Judge notes that claimant's skills consist of skills involved in a type of work that is typically performed at the light, medium, or heavy RFC levels. The undersigned is not aware of any job at the sedentary level that would use the same skills (operation of mold and die makers) the claimant has established over the years as a mold maker. Therefore, the undersigned holds that the claimant's PRW has not left him with skills that are readily transferable to a sedentary job.

Finally, the Department has failed to provide vocational evidence which establishes that the 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.

Therefore, using a combination of claimant's age, education level (which does not provide for direct entry into skilled work), and previous work experience as skilled/semi skilled, with no transferable skills, a finding of disabled is directed. 20 CFR 404, Subpart P, Appendix 2, Rule 201.14.

As stated above, where an individual has an impairment or combination of impairments resulting in both strength limitations and nonexertional limitations, the rules are considered in determining first whether a finding of disabled may be possible based on the strength limitations alone. As we are able to make a determination based solely on exertional limitations, an


examination of claimant's nonexertional limitations, such as depression and anxiety, though quite relevant to claimant's overall health, is not required and will not be made here.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the claimant is disabled for the purposes of the MA program. Therefore, the decision to deny claimant's application for MA-P was incorrect.

Accordingly, the Department's decision in the above stated matter is, hereby, REVERSED.

The Department is ORDERED to process claimant's MA-P and SDA application and award all benefits that claimant is entitled to receive under the appropriate regulations. The Department is further ORDERED to initiate a review of claimant's disability case in August, 2011.



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Robert Chavez  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: 08/03/10

Date Mailed: 08/04/10

**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.



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