STATE OF MICHIGAN STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

Claimant

Reg. No.: 2009-9946 Issue No.: 2009, 4031 Case No.: Load No.: Hearing Date: February 19, 2009 Oakland County DHS (02)

ADMINISTRATIVE LAW JUDGE: Colleen M. Mamelka

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a hearing was held

in Madison Heights, Michigan on February 19, 2009. The Claimant appeared, along with

and testified. The Claimant was represented by

appeared on behalf of the Department. At the

Claimant's request, the record was extended for further medical evidence to be submitted.

ISSUE

Whether the Department properly determined that the Claimant was not disabled for purposes of Medical Assistance ("MA-P") and the State Disability Assistance ("SDA") programs?

FINDINGS OF FACT

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

- The Claimant submitted a public assistance application on February 29, 2008 seeking MA-P benefits which was ultimately denied by the State Hearing Review Team on May 6, 2008 based upon insufficient evidence. (Exhibit 1, p. 15)
- The Claimant submitted another application seeking MA-P, Retro MA-P from February 2008, and SDA benefits on May 23, 2008.
- On July 12, 2008, the Medical Review Team ("MRT") deferred a disability determination in order for the Department to secure a psychiatric examination regarding the Claimant's current mental status. (Exhibit 1, pp. 11 – 13)
- 4. On _____, the Claimant was evaluated at _____ as scheduled by the Department. (Exhibit 1, pp. 6 10)
- 5. On August 21, 2008, the MRT determined the Claimant was not disabled finding the Claimant capable of performing other work for MA-P and Retro MA-P purposes and finding the Claimant's mental impairment did not prevent employment for 90 days or more for SDA purposes. (Exhibit 1, pp. 2, 4)
- On September 3, 2008, the Department sent the Claimant an eligiblity notice informing the Claimant that her MA-P, Retro-MA, and SDA benefits were denied
- 7. On November 26, 2008, the Department received the Claimant's Hearing Request protesting the determination that the Claimant is not disabled. (Exhibit 2)
- 8. On January 22, 2009, the State Hearing Review Team ("SHRT") found the Claimant not disabled and capable of performing other work. (Exhibit 3, pp. 1, 2)
- The Claimant's alleged disabling mental impairments are due to bipolor and severe major depressive disorders with psychotic features.
- 10. The Claimant's impairment(s) will last or have lasted for a period of 12 months or more.

- 11. At the time of hearing, the Claimant was 24 years old with a birth date; was 5' 2" and weighed 280 pounds.
- 12. The Claimant is a high school graduate with some college and has an employment history of working as an office assistant performing general clerical duties and a crew member at a fast food restaurant.
- 13. The record was extended based upon the Claimant's request to submit additional medical documentation.

CONCLUSIONS OF LAW

The Medical Assistance ("MA") program is established by Subchapter XIX of Chapter 7 of The Public Health & Welfare Act, 42 USC 1397, and is administered by the Department of Human Services ("DHS"), formally known as the Family Independence Agency, 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").

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) 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-relate activities or ability to reason and make appropriate mental adjustments, if a mental disability is alleged. 20 CRF 413.913 An individual's subjective pain complaints are not, in and of themselves, sufficient to

2009-9946/CMM

establish disability. 20 CFR 416.908; 20 CFR 416.929(a) Similarly, conclusory statements by a physician or mental health professional that an individual is disabled or blind, absent supporting medical evidence, is insufficient to establish disability. 20 CFR 416.929(a)

When determining disability, the federal regulations require several factors to be considered including: (1) the location/duration/frequency/intensity of an applicant's pain; (2) the type/dosage/effectiveness/side effects of any medication the applicants takes to relieve pain; (3) any treatment other than pain medication that the applicant has received to relieve pain; and (4) the effect of the applicant's pain on his or her ability to do basic work activities. 20 CFR 416.929(c)(3) The applicant's pain must be assessed to determine the extent of his or her functional limitation(s) in light of the objective medical evidence presented. 20 CFR 416.929(c)(2)

In order to determine whether or not an individual is disabled, federal regulations require a five-step sequential evaluation process be utilized. 20 CFR 416.920(a)(1) The five-step analysis requires the trier of fact to consider an individual's current work activity; the severity of the impairment(s) both in duration and whether it meets or equals a listed impairment in Appendix 1; residual functional capacity to determine whether an individual can perform past relevant work; and residual functional capacity along with vocational factors (i.e. age, education, and work experience) to determine if an individual can adjust to other work. 20 CFR 416.920(a)(4); 20 CFR 416.945

If an individual is found disabled, or not disabled, at any step, a determination or decision is made with no need evaluate subsequent steps. 20 CFR 416.920(a)(4) If a determination cannot be made that an individual is disabled, or not disabled, at a particular step, the next step is required. 20 CFR 416.920(a)(4) If an impairment does not meet or equal a listed impairment, an

individual's residual functional capacity is assessed before moving from step three to step four. 20 CFR 416.920(a)(4); 20 CFR 416.945 Residual functional capacity is the most an individual can do despite the limitations based on all relevant evidence. 20 CFR 945(a)(1) An individual's residual functional capacity assessment is evaluated at both steps four and five. 20 CFR 416.920(a)(4) In determining disability, an individual's functional capacity to perform basic work activities is evaluated and if found that the individual has the ability to perform basic work activities without significant limitation, disability will not be found. 20 CFR 416.994(b)(1)(iv)

In addition to the above, when evaluating mental impairments, a special technique is utilized. 20 CFR 416.920a (a) First, an individual's pertinent symptoms, signs, and laboratory findings are evaluated to determine whether a medically determinable mental impairment exists. 20 CFR 416.920a (b) (1) When a medically determinable mental impairment is established, the symptoms, signs and laboratory findings that substantiate the impairment are documented to include the individual's significant history, laboratory findings, and functional limitations. 20 CFR 416.920a (e) (2) Functional limitation(s) is assessed based upon the extent to which the impairment(s) interferes with an individual's ability to function independently, appropriately, effectively, and on a sustained basis. Id.; 20 CFR 416.920a(c) (2) Chronic mental disorders, structured settings, medication, and other treatment and the effect on the overall degree of functionality is considered. 20 CFR 416.920a(c) (1) In addition, four broad functional areas (activities of daily living; social functioning; concentration, persistence or pace; and episodes of decompensation) are considered when determining an individual's degree of functional limitation. 20 CFR 416.920a(c)(3) The degree of limitation for the first three functional areas is rated by a five point scale: none, mild, moderate, marked, and extreme. 20 CFR 416.920a(c) (4) A four point scale (none, one or two, three, four or more) is used to rate the degree of limitation

2009-9946/CMM

in the fourth functional area. *Id.* The last point on each scale represents a degree of limitation that is incompatible with the ability to do any gainful activity. *Id.*

After the degree of functional limitation is determined, the severity of the mental impairment is determined. 20 CFR 416.920a (d) If severe, a determination of whether the impairment meets or is the equivalent of a listed mental disorder. 20 CFR 416.920a (d) (2) If the severe mental impairment does not meet (or equal) a listed impairment, an individual's residual functional capacity is assessed. 20 CFR 416.920a (d) (3)

As outlined above, the first step looks at the individual's current work activity. An individual is not disabled regardless of the medical condition, age, education, and work experience, if the individual is working and the work is a substantial, gainful activity. 20 CFR 416.920(a) (4) (i) In the record presented, the Claimant is not involved in substantial gainful activity. The Claimant is not ineligible for disability under Step 1.

The severity of the Claimant's alleged impairment(s) is considered under Step 2. In order to be considered disabled for MA-P purposes, the impairment must be severe. 20 CFR 916.920(a)(4)(ii); 20 CFR 916.920(b) An impairment, or combination of impairments, is severe if it significantly limits an individual's physical or mental ability to do basic work activities regardless of age, education and work experience. 20 CFR 916.920(a)(4)(ii); 20 CFR 916.920(c) Basic work activities means the abilities and aptitudes necessary to do most jobs. 20 CFR 916.921(b) Examples 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.

Id. The second step allows for dismissal of a disability claim obviously lacking in medical merit. *Higgs v Bowen*, 880 F2d 860, 862 (CA 6, 1988). The severity requirement may still be employed as an administrative convenience to screen out claims that are totally groundless solely from a medical standpoint. *Id.* at 863 *citing Farris v Sec of Health and Human Services*, 773 F2d 85, 90 n.1 (CA 6, 1985) An impairment qualifies as severe only if, regardless of a claimant's age, education, or work experience, the impairment would not affect the claimant's ability to work. *Salmi v Sec of Health and Human Services*, 774 F2d 685, 692 (CA 6, 1985)

In support of the Claimant's mental impairment, psychiatric hospitalization records from were submitted. The Claimant was initially evaluated and petitioned clinically certified at She was subsequently admitted to where she was placed on medication and diagnosed The Claimant's weight was 169 and her Global Assessment with psychotic disorder. Functioning ("GAF") at discharge was 55-60. One week later, the Claimant was re-admitted to after developing panic attacks and severe restlessness. The Claimant's medications were adjusted and she was discharged on with a psychotic disorder diagnosis and a GAF of 60. On , the Claimant was admitted to t after she stopped taking her prescribed medication and was "highly agitated, angry, and screaming." The Claimant's discharge diagnosis was bipolar affective disorder type 2 and her GAF on was 65.

On August 15, 2006, the Medical Review Team found the Claimant disabled with a review date of August 2007. The record is unclear as to when or why her benefits ceased.

On November 2, 2007,

performed

Assessment on the Claimant. The Claimant's previous psychiatric hospitalization(s) were noted. The Claimant's case was noted as difficult because "there is a thin line between personality disorder and overt psychopathology..." The Claimant's bipolar disorder diagnosis was discontinued however the Claimant was found to meet criteria for impulse control disorder and for major depressive disorder. The Claimant's Global Assessment Functioning ('GAF") was 49. The Claimant was scheduled for weaning from Geodon and Lamictal but was to remain on Seroquel.

On control of the Claimant was treated control of the Claimant's weight had increased to 215. On control of the Claimant was admitted control of the Claimant denied hearing voices but appeared to be responding to internal stimuli. The admitting diagnosis was schizophrenia, paranoid type with a GAF of 15. The Claimant was treated with lithium, Cogentin, Klonopin, and Navane. On control of the Claimant was discharged with a Bipolar disorder, atypical, with a GAF of 50.

On **Common Ground for further treatment**.

On June 11, 2008, a Mental Residual Functional Capacity Assessment was submitted on the Claimant's behalf. The Claimant's ability to make simple work-related decisions was found markedly limited as well as her ability to set realistic goals or make plans independently of others. The Claimant's ability to understand and remember details, carry out simple instructions, maintain attention and concentration, perform activities within a schedule or sustain an ordinary routine without supervision were moderately limited. In addition, the Claimant was found moderately limited in her ability to complete a normal workday; get along with coworkers; maintain socially appropriate behavior; be aware of normal hazards; travel in unfamiliar places or use public transportation.

On June 11, 2008, a Medical Examination Report was submitted on the Claimant's behalf. The Claimant was noted to be in stable condition with no physical limitations.

On the Claimant was examined due to complaints relating to her bipolar disorder. The Claimant was diagnosed with bipolar disorder with a GAF of 50.

On , the Claiman

The Claimant's significant weight gain was noted along with an adjustment to her current medication regime. The Claimant's insight and judgment were found to be poor with regard to self-care and impulse control. The Claimant was diagnosed with major

depressive disorder, recurrent severe with psychotic features. Impulse control disorder was not ruled out. The Claimant's GAF was 41.

The Mental Residual Functional Capacity Assessment completed on behalf of the Claimant found her to be markedly limited in her ability to maintain attention and concentration for extended period; 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; travel in unfamilar places or use public transportation; and set realistic goals or make plans independently of others.

In this case, the Claimant has presented medical evidence establishing that she does have some psychological limitations on her ability to perform basic work activities such as understanding, carrying out, and remembering intructions; use of judgment; responding appropriately to supervision and co-workers; and dealing with changes in a routine work setting. The medical evidence has established that the Claimant has an impairment, or combination thereof, that has more than a *de minimis* effect on the Claimant's basic work activities. Further, the impairments have lasted continuously for twelve months. Therefore, the Claimant is not disqualified from receipt of MA-P benefits under Step 2.

In the third step of the sequential analysis of a disability claim, the trier of fact must determine if the Claimant's impairment, or combination of impairments, is listed in Appendix 1 of Subpart P of 20 CFR, Part 404. The Claimant has alleged disabling impairments due to seizures, psychological disorders/depression, and chronic arm pain. Appendix I, Listing of Impairments discusses the analysis and criteria necessary to support a finding of a listed impairment.

Listing 12.00 encompasses adult mental disorders. The evaluation of disability on the basis of mental disorders requires documentation of a medically determinable impairment(s) and consideration of the degree in which the impairment limits the individual's ability to work, and whether these limitations have lasted or are expected to last for a continuous period of at least 12 months. 12.00A The existence of a medically determinable impairment(s) of the required duration must be established through medical evidence consisting of symptoms, signs, and laboratory findings, to include psychological test findings. 12.00B The evaluation of disability on the basis of a mental disorder requires sufficient evidence to (1) establish the presence of a medically determinable mental impairment(s), (2) assess the degree of functional limitation the impairment(s) imposes, and (3) project the probable duration of the impairment(s). 12.00D The evaluation of disability on the basis of mental disorders requires documentation of a medically determinable impairment(s) and consideration of the degree in which the impairment limits the individual's ability to work consideration, and whether these limitations have lasted or are expected to last for a continuous period of at least 12 months. 12.00A

Chronic mental disorders may be controlled or attenuated by psychosocial factors that provide highly structured and supportive settings which may greatly reduce the mental demands placed on an individual. 12.00G If an individual's symptomatology is controlled, the ability to function outside of the structured setting is considered. *Id.* In addition, the effects of medication are considered as it relates to an individual's ability to function. Functional limitations that persist despite medication is also considered when determining the severity of the impairment. 12.00G

Listing 12.02 discusses organic mental disorders which relate to psychological or behavioral abnormalities associated with dysfunction of the brain. History and physical

examination or laboratory tests demonstrate the presence of a specific organic factor judged to be etiologically related to the abnormal mental state and loss of previously acquired functional abilities. The required level of severity for these disorders are met when the requirements in both A and B are satisfied, or when the requirements in C are satisfied.

- A. Demonstration of a loss of specific cognitive abilities or affective changes and the medically documented persistence of at least one of the following:
 - 1. Disorientation to time and place; or
 - 2. Memory impairment, either short-term (inability to learn new information), intermediate, or long-term (inability to remember information that was know sometime in the past); or
 - 3. Perceptual or thinking disturbances (e.g., hallucinations, delusions); or
 - 4. Change in personality; or
 - 5. Disturbance in mood; or
 - 6. Emotional liability (e.g., explosive temper outbursts, sudden crying, etc.) and impairment in impulse control; or
 - 7. Loss of measured intellectual ability of at least 15 I.Q. points from premorbid levels or overall impairment index clearly within the severely impaired range on neuropsychological testing, e.g., Luria-Nebraska, Halstead-Reitan, etc;

AND

- B. Resulting in at least two of the following:
 - 1. Marked restriction of activities of daily living; or
 - 2. Marked difficulties in maintaining social functioning; or
 - 3. Marked difficulties in maintaining concentration, persistence, or pace; or
 - 4. Repeated episodes of decompensation, each of extended duration;

OR

2009-9946/CMM

- C. Medically documented history of a chronic organic mental disorder of at least 2 years' duration that has caused more than a minimal limitation of ability to do basic work activities, with symptoms or signs currently attenuated by medication or psychosocial support, and one of the following:
 - 1. Repeated episodes of decompensation, each of extended duration; or
 - 2. A residual disease process that has resulted in such marginal adjustment that even a minimal increase in mental demands or change in the environment would be predicted to cause the individual to decompensate; or
 - 3. Current history of 1 or more years' inability to function outside a highly supportive living arrangement, with an indication of continued need for such an arrangement.

Schizophrenic, paranoid, and other psychotic disorders are characterized by the onset of

psychotic features with deterioration from a previous level of functioning. 12.03 The required

level of severity for these disorders is met when the requirements in both A and B are satisfied,

or when the requirements of C are satisfied.

- A. Medically documented persistence, either continuous or intermittent, of one or more of the following:
 - 1. Delusions or hallucinations; or
 - 2. Catatonic or other grossly disorganized behavior; or;
 - 3. Incoherence, loosening of associations, illogical thinking, or poverty of content of speech if associated with one of the following:
 - a. Blunt Affect; or
 - b. Flat Affect; or
 - c. Inappropriate affect;
 - Or
 - 4. Emotional withdrawal and/or isolation;

AND

- B. Resulting in a least two of the following:
 - 1. Marked restriction of activities of dialing living; or
 - 2. Marked difficulties in maintaining social functioning; or

- 3. Marked difficulties in maintaining concentration, persistence, or pace; or
- 4. Repeated episodes of decompensation, each of extended durations

OR

- C. Medically documented history of a chronic schizophrenic, paranoid, or other psychotic disorder of at least 2 years' duration that has caused more than a minimal limitation of ability to do basic work activities, with symptoms or signs currently attenuated by medication or psychosocial support, and one of the following:
 - 1. Repeated episodes of decompensation, each of extended duration; or
 - 2. A residual disease process that has resulted in such marginal adjustment that even a minimal increase in mental demands or changed in the environment would be predicted to cause the individual to decompensate; or
 - 3. Current history of 1 or more years' inability to function outside a highly supportive living arrangement, with an indication of continued need for such an arrangement.

Listing 12.04 defines affective disorders as being characterized by a disturbance of mood,

accompanied by a full or partial manic or depressive syndrome. Generally, affective disorders

involve either depression or elation. The required level of severity for these disorders is met

when the requirements of both A and B are satisfied, or when the requirements in C are satisfied.

- A. Medically documented persistence, either continuous or intermittent, of one of the following:
- 1. Depressive syndrome characterized by at least four of the following:
 - a. Anhedonia or pervasive loss of interest in almost all activities; or
 - b. Appetite disturbance with change in weight; or
 - c. Sleep disturbance; or
 - d. Psychomotor agitation or retardation; or
 - e. Decreased energy; or
 - f. Feelings of guilt or worthlessness; or
 - g. Difficulty concentrating or thinking; or
 - h. Thoughts of suicide; or
 - i. Hallucinations, delusions, or paranoid thinking; or

- 2. Manic syndrome characterized by at least three of the following:
 - a. Hyperactivity; or
 - b. Pressure of speech; or
 - c. Flight of ideas; or
 - d. Inflated self-esteem; or
 - e. Decreased need for sleep; or
 - f. Easy distractability; or
 - g. Involvement in activities that have a high probability of painful consequences which are not recognized; or
 - h. Hallucinations, delusions, or paranoid thinking; or
- 3. Bipolar syndrome with a history of episodic periods manifested by the full symptomatic picture of both manic and depressive syndromes (and currently characterized by either or both syndromes)'

AND

- B. Resulting in at least two of the following:
 - 1. Marked restriction on activities of daily living; or
 - 2. Marked difficulties in maintaining social functioning; or
 - 3. Marked difficulties in maintaining concentration, persistence, or pace; or
 - 4. Repeated episodes of decompensation, each of extended duration;

OR

- C. Medically documented history of chronic affective disorder of at least 2 years' duration that has caused more than a minimal limitation of ability to do basic work activities, with symptoms or signs currently attenuated by medication or psychosocial support, and one of the following:
 - 1. Repeated episodes of decompensation, each of extended duration; or
 - 2. A residual disease process that has resulted in such marginal adjustment that even minimal increase in mental demands or change in the environment would be predicted to cause the individual to decompensate; or
 - 3. Current history of 1 or more years' inability to function outside a highly supportive living arrangement, with an indication of continued need for such an arrangement.

In this case, medical evidence shows that the Claimant was diagnosed with atypical Bipolar Disorder, psychotic disorder, and major depressive disorder, recurrent and severe with psychotic features. Despite the Claimant's adherence to prescribed treatment and a highly structured and supportive home life, the Claimant was again (for the 4th time) admitted to

for a two week period. Although the Claimant takes antipsychotic medication, anti-depressant, and mood stabalizers the DHS 49-E documents several areas where the Claimant's ability for sustained concentration, social interaction, and adaption to work setting, etc. remains moderately and markedly limited. The Claimant's GAF ranges from a low of 15 to a high of 65 with the most recent GAF of 41. A GAF of 41 means some impairment in reality testing or communication OR major impairment in several areas, such as work or school, family relations, judgment, thinking, or mood. Based upon the submitted medical documentation, the Claimant's mental impairment(s) have lasted continuously for more than a 12 month period and meet or are the medical equivalent of Listed impairments found at 12.02 and/or 12.04. Accordingly, the Claimant is found disabled at Step 3 therefore subsequent steps in the sequential evaluation process are not necessary.

The State Disability Assistance ("SDA") program, which provides financial assistance for disabled persons, was established by 2004 PA 344. DHS administers the SDA program purusant to MCL 400.10 *et seq.* and Michigan Administrative Code ("MAC R") 400.3151 – 400.3180. Department policies are found in PAM, PEM, and PRM. A person is considered disabled for SDA purposes if the person has a physical or mental impariment which meets federal SSI disability standards for at least ninety days. Receipt of SSI or RSDI benefits based on disability or blindness, or the receipt of MA benefits based on disability or blindness (MA-P) automatically qualifies an individual as disabled for purposes of the SDA program. In this case, because the Claimant was found disabled for the purposes of the MA program, the Claimant is disabled for purposes of the SDA program.

DECISION AND ORDER

The Administrative Law Judge, based upon the findings of fact and conclusions of law,

finds the Claimant disabled for purposes of the Medical Assistance program and the State

Disability Assistance program.

It is ORDERED:

- 1. The Department's determination is REVERSED.
- 2. The Department shall initiate review of the May 23, 2008 application to determine if all other non-medical criteria are met and inform the Claimant and her authorized representative of the determination.
- 3. The Department shall supplement the Claimant any lost benefits she was entitled to receive if otherwise eligible and qualified in accordance with department policy.
- 4. The Department shall review the Claimant's continued eligibility in accordance department policy in May of 2010.

_/s/_____

Colleen M. Mamelka Administrative Law Judge For Ishmael Ahmed, Director Department of Human Services

Date Signed: _04/23/09_____

Date Mailed: _04/24/09_____

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 the Circuit 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 recip date of the rehearing decision.



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