

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]
[REDACTED]
[REDACTED]

Reg. No: 2010-23358
Issue No: 2009, 4031
Case No: [REDACTED]
Hearing Date: April 29, 2010
Iosco County DHS

ADMINISTRATIVE LAW JUDGE: Landis Y. Lain

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, an in-person hearing was held on April 29, 2010. Claimant was represented at the hearing by [REDACTED]

This hearing was originally held by Administrative Law Judge Jay Sexton. Jay Sexton is no longer affiliated with the Michigan Administrative Hearing System Administrative Hearings for the Department of Human Services. This hearing decision was completed by Administrative Law Judge Landis Y. Lain by considering the entire record.

ISSUE

Did the Department of Human Services (the department) properly deny claimant's application for Medical Assistance (MA-P) 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 December 30, 2009, claimant filed an application for Medical Assistance, and State Disability Assistance benefits alleging disability.
- (2) On January 21, 2010, the Medical Review Team denied claimant's application stating that claimant could perform other work to Medical Vocational Rule 202.20.

- (3) On November 23, 2009, claimant filed a second application on June 25, 2009 for Medical Assistance and State Disability Assistance benefits, alleging disability.
- (4) On November 23, 2009, the Medical Review Team denied claimant's application stating that claimant could perform other work pursuant to Medical Vocational Rule 202.20 and stated that she should have a stand/sit option. This Administrative Law Judge will consolidate the applications herein and make a decision on both.
- (5) The department caseworker sent claimant notice that her application was denied.
- (6) On February 18, 2010, claimant's representative filed a request for a hearing to contest the department's negative action.
- (7) On March 11, 2010, the State Hearing Review Team again denied claimant's application, stating that it had insufficient evidence and requested a psychiatric evaluation.
- (8) The hearing was held on April 29, 2010. At the hearing, claimant waived the time periods and requested to submit additional medical information.
- (9) Additional medical information was submitted and sent to the State Hearing Review Team on July 1, 2010.
- (10) On April 12, 2011, the State Hearing Review Team again denied claimant's application stating in its analysis and recommendation: that claimant has a history of substance abuse but denied current use. She was cooperative and verbal and spontaneous. Her speech was appropriate and articulation was clear. She reported hearing voices talking to her from inside her head. She was depressed and her affect was mostly flat. Her ejection fraction on her echocardiogram was 60%. Her heart catheterization in October 2009 showed normal coronary arteries and preserved left ventricular systolic function. The claimant was obese and has some limitation related to her weight. The claimant's impairments do not meet/equal the intent or severity of a Social Security Listing. The medical evidence of record indicates that the claimant retains the capacity to perform simple unskilled medium work. In lieu of detailed work history, the claimant will return to other work. Therefore, based on the claimant's vocational profile of closely approaching advanced age of 50, high school education and history of unskilled and semi-skilled work, MA-P is denied using Vocational Rule 203.21 as a guide. Retroactive MA-P was considered in this case and is also denied. SDA is denied per BEM 261 because the nature and severity of the claimant's impairments would not preclude work activity at the above stated level for 90 days.

- (10) On the date of hearing claimant was a 49-year-old woman whose date of birth is [REDACTED]. Claimant is 5'9" tall and weighed 260 pounds. Claimant is a high school graduate and is a beautician but is not certified. Claimant is able to read and write and does have basic math skills.
- (11) Claimant last worked as a factory worker and at [REDACTED] as a cook.
- (11) Claimant alleges as disabling impairments: severe shakes, anxiety attacks, arthritis, depression, hearing voices, hallucinations, angina, transient ischemic attacks, hypothyroidism, obesity, seizures, and a TIA two years before the hearing.

CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his or her claim for assistance has been denied. MAC R 400.903(1). Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness of that decision. BAM 600.

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).

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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) 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).

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).

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).

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 is not disqualified from receiving disability at Step 1.

The objective medical evidence on the record indicates that a May 14, 2010 mental status examination indicates that claimant is a 49-year-old female. It appears she was driven to the appointment by her mother and they were about 20 minutes early to the evaluation. She stated that she had her license taken away for drunk driving about 15 years before the appointment. She was 69 inches tall and weighed 264 pounds. She appeared her stated age. Her clothing was clean and appropriate. Her hygiene was good. She walked slowly with a mild limp. Her facial expression was alert but moderately anxious tense and depressed. Her general behavior was friendly cooperative, verbal and spontaneous. Her speech and tone, pace and volume was appropriate. Her articulation was clear. The client showed adequate contact with reality. Her self esteem was poor. She showed fair insight into her statements. Her general motivation for many of life's usual activities including pleasurable activities was severely limited but tended to vary with her mood swings. She has no income at this time. The claimant's stream of mental activity was fine and spontaneous. Her responses to questions were generally reasonable. She is a good historian for personal information. She had no obsessive compulsive behavior. She stated that she thought about suicide but not lately (Page A4). Her mood in the evaluation appeared to be moderately depressed. Her general affect was mostly flat. She also appeared to be moderately anxious and tense. She was oriented to time, person and place, and did know the exact date. She was able to repeat six digits forward and four digits backward. After a period of about five minutes, she was able to observe all three objects given to her to remember. When she was asked to name the U.S. President in reverse chronological order, she stated [REDACTED] and I don't know anymore in order. She gave her date of birth and age correctly. When asked to name five large cities, she said in moderate speed, [REDACTED], and [REDACTED].

When she was asked to name five current famous people, she said [REDACTED] and [REDACTED], and [REDACTED]. When she was asked to name recent world and national events, she said the oil spill off the coast of [REDACTED] and a bomb on [REDACTED]. When she was asked to do backwards serial sevens, she stated 100, 93, 86, 76, 65, 57, 50, 43, 36, 25, 17, and 3 slowly. She did the following calculations slowly, 8 plus 6 equals 14, 9 plus 7 equals 16, 7 times 5 equals 35, 9 times 8 equals 48, 8 times 7 equals 54 and 18 divided by 3 equals 7 and 63 divided by 7 she did not know. In response to the saying the grass is greener on the other side, she stated I don't know. Her response in the saying don't cry over spilled milk, she said don't cry over something you can't control. In response to the saying start while the iron is hot, she said I don't know. In response to the saying an ounce of prevent, she said I don't know. She stated that a bush and a tree were alike because they have green stuff on them. She stated they were different because a tree has a trunk. For judgment purposes, and response to the envelope question, she stated she would put it in a mailbox and response to a fire in a movie theater, she said call out fire (Page A5). She was diagnosed with schizoaffective disorder, bipolar I disorder, social anxiety disorder and panic disorder and a current Axis V GAF of 48. Her prognosis was guarded and she would be able to manage her own funds (Page A6.) A mental residual functional capacity assessment in the record dated May 14, 2010 indicates that claimant is markedly limited in the ability to understand and remember detailed instructions, the ability to carry out detailed instructions, the ability to maintain attention and concentration for extended periods; the ability to perform activities within a schedule, maintain regular attendance and be punctual with customary tolerance; the ability to work in coordination with or proximity to others without being distracted by them; the ability to complete a normal workday and work week without interruptions with psychologically based symptoms and to perform at a consistent pace without unreasonable number and length of rest periods; the ability to interact appropriately with the general public; and the ability to travel in unfamiliar place and to use public transportation. She was not significantly limited in most areas and only moderately limited in the ability to get along with coworkers and peers without distracting them or exhibiting behavioral extremes (Pages A7 and A8). A September 29, 2009 Medical Examination Report indicates that a physical examination, she was revealed to be a well appearing female in no acute distress. A two view echocardiogram on August 28, 2009 revealed a left ventricular ejection fraction of 60%, no wall motion abnormalities, mild mitral and tricuspid regurgitation and a right ventricular systolic pressure of 37. Her blood pressure was 124/80, heart rate 88 beats per minute, and respiratory rate was 22. Weight is 269 pounds, height is 5'9" tall. Head is normal cephalic and atraumatic. Pupils are equal and round and reactive to light and accommodation. Extraocular movements are intact. Neck is supple with full range of motion. No JVD or carotid bruits. The lungs are clear bilaterally to posterior auscultation without rales, rhonchi or wheeze. Cardiovascular examination reveals a normal S1 and S2 with no murmur, S3 or S4. Abdomen is obese, soft and nontender. Positive bowel sounds. Lower extremities reveal +1 bilateral pretibial edema. Plus 2 posterior tibial pulses are symmetric. Claimant has a generalized tremor but has a steady gait with no other gross neurologic deficits (Page A9 and A10). An October 7, 2009 cardiocatherization report

indicates normal coronary arteries. Preserved left ventricular systolic function. No cardiac chest pain (Page A11).

At Step 2, claimant has the burden of proof of establishing that she has a severely restrictive physical or mental impairment that has lasted or is expected to last for the duration of at least 12 months. There is insufficient objective clinical medical evidence in the record that claimant suffers a severely restrictive physical or mental impairment. Claimant has reports of pain in multiple areas of her body; however, there are no corresponding clinical findings that support the reports of symptoms and limitations made by the claimant. There are no laboratory or x-ray findings listed in the file which support claimant's contention of disability. The clinical impression is that claimant is stable. There is no medical finding that claimant has any muscle atrophy or trauma, abnormality or injury that is consistent with a deteriorating condition. In short, claimant has restricted herself from tasks associated with occupational functioning based upon her reports of pain (symptoms) rather than medical findings. Reported symptoms are an insufficient basis upon which a finding that claimant has met the evidentiary burden of proof can be made. This Administrative Law Judge finds that the medical record is insufficient to establish that claimant has a severely restrictive physical impairment.

Claimant alleges the following disabling mental impairments: depression, anxiety, panic attacks, as well as bipolar disorder.

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).

There is insufficient objective medical/psychiatric evidence in the record indicating claimant suffers severe mental limitations. There is mental residual functional capacity assessment in the record. There is insufficient evidence contained in the file of depression or a cognitive dysfunction that is so severe that it would prevent claimant from working at any job. Claimant was oriented to time, person and place during the hearing. Claimant was able to answer all of the questions at the hearing and was responsive to the questions. The evidentiary record is insufficient to find that claimant suffers a severely restrictive mental impairment. For these reasons, this Administrative Law Judge finds that claimant has failed to meet her burden of proof at Step 2. Claimant must be denied benefits at this step based upon her failure to meet the evidentiary burden.

If claimant had not been denied at Step 2, the analysis would proceed to Step 3 where the medical evidence of claimant's condition does not give rise to a finding that she would meet a statutory listing in the code of federal regulations.

If claimant had not already been denied at Step 2, this Administrative Law Judge would have to deny her again at Step 4 based upon her ability to perform her past relevant work. There is no evidence upon which this Administrative Law Judge could base a finding that claimant is unable to perform work in which she has engaged in, in the past. Therefore, if claimant had not already been denied at Step 2, he would be denied again at Step 4.

The Administrative Law Judge will continue to proceed through the sequential evaluation process to determine whether or not claimant has the residual functional capacity to perform some other less strenuous tasks than in her prior jobs.

At Step 5, the burden of proof shifts to the department to establish that claimant does not have residual functional capacity.

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 [REDACTED], published by the [REDACTED]... 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).

Claimant has submitted insufficient objective medical evidence that she lacks the residual functional capacity to perform some other less strenuous tasks than in her prior employment or that she is physically unable to do light or sedentary tasks if demanded of her. Claimant's activities of daily living do not appear to be very limited and she should be able to perform light or sedentary work even with her impairments. Claimant has failed to provide the necessary objective medical evidence to establish that she has a severe impairment or combination of impairments which prevent her from performing any level of work for a period of 12 months. The claimant's testimony as to her limitations indicates that she should be able to perform light or sedentary work.

There is insufficient objective medical/psychiatric evidence contained in the file of depression or a cognitive dysfunction that is so severe that it would prevent claimant from working at any job. Claimant was able to answer all the questions at the hearing and was responsive to the questions. Claimant was oriented to time, person and place during the hearing. Claimant's complaints of pain, while profound and credible, are out of proportion to the objective medical evidence contained in the file as it relates to claimant's ability to perform work. Therefore, this Administrative Law Judge finds that the objective medical evidence on the record does not establish that claimant has no residual functional capacity. Claimant is disqualified from receiving disability at Step 5 based upon the fact that she has not established by objective medical evidence that she cannot perform light or sedentary work even with her impairments. Under the Medical-Vocational guidelines, a person approaching advanced age (age 50) with a high school education and an unskilled and semi-skilled work who is limited to light work is not considered disabled pursuant to Medical Vocational Rule 203.21, claimant retains the residual functional capacity to perform medium work.

The Federal Regulations at 20 CFR 404.1535 speak to the determination of whether Drug Addiction and Alcoholism (DAA) is material to a person's disability and when benefits will or will not be approved. The regulations require the disability analysis be completed prior to a determination of whether a person's drug and alcohol use is material. It is only when a person meets the disability criterion, as set forth in the regulations, that the issue of materiality becomes relevant. In such cases, the regulations require a sixth step to determine the materiality of DAA to a person's disability.

When the record contains evidence of DAA, a determination must be made whether or not the person would continue to be disabled if the individual stopped using drugs or alcohol. The trier of fact must determine what, if any, of the physical or mental limitations would remain if the person were to stop the use of the drugs or alcohol and whether any of these remaining limitations would be disabling.

Claimant's testimony and the information contained in the file indicate that claimant has a history of drug, and alcohol abuse. Applicable hearing is the Drug Abuse and Alcohol (DA&A) Legislation, Public Law 104-121, Section 105(b)(1), 110 STAT. 853, 42 USC 423(d)(2)(C), 1382(c)(a)(3)(J) Supplement Five 1999. The law indicates that individuals are not eligible and/or are not disabled where drug addiction or alcoholism is a contributing factor material to the determination of disability. After a careful review of the credible and substantial evidence on the whole record, this Administrative Law Judge finds that claimant does not meet the statutory disability definition under the authority of the DA&A Legislation because her substance abuse is material to her alleged impairment and alleged disability.

The department's Program Eligibility Manual contains the following policy statements and instructions for caseworkers regarding the State Disability Assistance program: to

receive State Disability Assistance, a person must be disabled, caring for a disabled person or age 65 or older. BEM, Item 261, p. 1. Because the claimant does not meet the definition of disabled under the MA-P program and because the evidence of record does not establish that claimant is unable to work for a period exceeding 90 days, the claimant does not meet the disability criteria for State Disability Assistance benefits either.

The Department has established by the necessary competent, material and substantial evidence on the record that it was acting in compliance with department policy when it determined that claimant was not eligible to receive Medical Assistance and/or State Disability Assistance.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department has appropriately established on the record that it was acting in compliance with department policy when it denied claimant's application for Medical Assistance, retroactive Medical Assistance and State Disability Assistance benefits. The claimant should be able to perform a wide range of light or sedentary work even with her impairments. The department has established its case by a preponderance of the evidence.

Accordingly, the department's decision is AFFIRMED.



Landis Y. Lain
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: September 7, 2011

Date Mailed: September 7, 2011

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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