

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]  
[REDACTED]  
[REDACTED]

Reg. No: 2010-23597  
Issue No: 2009; 4031  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
April 7, 2010  
Kent County DHS

ADMINISTRATIVE LAW JUDGE: Ivona Rairigh

**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 April 7, 2010. Claimant personally appeared and testified.

**ISSUE**

Did the Department of Human Services (the department) properly deny claimant's application for Medical Assistance (MA-P), retro MA 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 October 30, 2009, claimant filed an application for Medical Assistance, retro MA and State Disability Assistance benefits alleging disability.
- (2) On January 6, 2010, the Medical Review Team denied claimant's application stating that claimant was capable of past relevant work per 20 CFR 416.920(E).
- (3) On January 12, 2010, the department caseworker sent claimant notice that her application was denied.

- (4) On February 16, 2010, claimant filed a request for a hearing to contest the department's negative action.
- (5) On March 15, 2010, the State Hearing Review Team (SHRT) also denied claimant's application stating she was capable of performing past work.
- (6) Claimant presented additional medical evidence following the hearing which was forwarded to SHRT for review. On April 13, 2010 SHRT denied claimant's application stating that the medical evidence of record indicates that the claimant retains the capacity to perform a wide range of simple, unskilled, light work. Vocational Rule 202.21 was used as a guide.
- (7) Claimant is a 49 year old woman whose birthday is [REDACTED]. Claimant is 5'8 ½ " tall and weighs 222 lbs. Claimant completed 2 years of college towards an associate degree in health care, but did not get such a degree. Claimant can read, write and do basic math.
- (8) Claimant is not currently employed and states she last worked in April, 2009 as an appeals service representative for Direct TV making outbound and inbound call for 4-5 days, job she quit as she was being checked for cancer and had a personal emergency. Claimant has also had other customer service jobs and worked for [REDACTED] emergency road service from January, 2003 to September, 2007, until she was terminated for missing too much work.
- (9) Claimant has also worked as a claims examiner and at a bank as a debit reconciliation clerk in the past, and collected UCB from September, 2007 to July, 2008. Claimant testified that she is not sure if she could any job at this time due to an anal fistula causing her problems.
- (10) Claimant lives with her daughter and daughter's three children in an apartment and receives food stamps. Claimant's daughter also receives cash assistance from the department.
- (11) Claimant has a driver's license and drives 3-4 times per week to doctor's appointments for herself and her grandson, cooks, grocery shops and does housework.
- (12) Claimant alleges as disabling impairments fistula, herniated disks, lupus, hypertension and depression.
- (13) Claimant has applied for Social Security disability and been denied and is appealing this denial.

## **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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (RFT).

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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (RFT).

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, that being a five-step sequential evaluation process for determining whether an individual is disabled (20 CFR 404.1520(a) and 416.920(a)). The steps are followed in order. Current work activity, severity of impairments, residual functional capacity, past work, age, or education and work experience is reviewed. If it is determined that the claimant is or is not disabled at a step of the evaluation process, the evaluation will not go on to the next step.

At Step 1, the Administrative Law Judge must determine whether the claimant is engaging in substantial gainful activity (20 CFR 404.1520(b) and 416.920(b)). Substantial gainful activity (SGA) is defined as work activity that is both substantial and gainful. "Substantial work activity" is work activity that involves doing significant physical or mental activities (20 CFR 404.1572(a) and 416.972(a)). "Gainful work activity" is work that is usually done for pay or profit, whether or not a profit is realized (20 CFR 404.1572(b) and 416.972(b)). Generally, if an individual has earnings from employment or self-employment above a specific level set out in the regulations, it is presumed that he/she has demonstrated the ability to engage in SGA (20 CFR 404.1574, 404.1575, 416.974, and 416.975). If an individual engages in SGA, he/she is not disabled regardless of how severe his/her physical or mental impairments are and

regardless of his/her age, education, and work experience. If the individual is not engaging in SGA, the analysis proceeds to the second step.

At Step 2, the Administrative Law Judge must determine whether the claimant has a medically determinable impairment that is "severe" or a combination of impairments that is "severe" (20 CFR 404.1520(c) and 416.920(c)). An impairment or combination of impairments is "severe" within the meaning of the regulations if it significantly limits an individual's ability to perform basic work activities. An impairment or combination of impairments is "not severe" when medical and other evidence establish only a slight abnormality or a combination of slight abnormalities that would have no more than a minimal effect on an individual's ability to work (20 CFR 404.1521 and 416.921; Social Security Rulings (SSRs) 85-28, 96-3p, and 96-4p). If the claimant does not have a severe medically determinable impairment or combination of impairments, he/she is not disabled. If the claimant has a severe impairment or combination of impairments, the analysis proceeds to the third step.

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). 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).

At Step 3, the Administrative Law Judge must determine whether the claimant's impairment or combination of impairments meets or medically equals the criteria of an impairment listed in 20 CFR Part 404, Subpart P, Appendix 1 (20 CFR 404.1520(d), 404.1525, 404.1526, 416.920(d), 416.925, and 416.926). If the claimant's impairment or combination of impairments meets or medically equals the criteria of a listing and meets the duration requirement (20 CFR 404.1509 and 416.909), the claimant is disabled. If it does not, the analysis proceeds to the next step.

Before considering step four of the sequential evaluation process, the Administrative Law Judge must first determine the claimant's residual functional capacity (20 CFR 404.1520(e) and 416.920(e)). An individual's residual functional capacity is his/her ability to do physical and mental work activities on a sustained basis despite limitations from his/her impairments. In making this finding, all of the claimant's impairments, including impairments that are not severe, must be considered (20 CFR 404.1520(e), 404.1545, 416.920(e), and 416.945; SSR 96-8p).

Next, the Administrative Law Judge must determine at step four whether the claimant has the residual functional capacity to perform the requirements of his/her past relevant work (20 CFR 404.1520(f) and 416.920(f)). The term past relevant work means work

performed (either as the claimant actually performed it or as it is generally performed in the national economy) within the last 15 years or 15 years prior to the date that disability must be established. In addition, the work must have lasted long enough for the claimant to learn to do the job and have been SGA (20 CFR 404.1560(b), 404.1565, 416.960(b), and 416.965). If the claimant has the residual functional capacity to do his/her past relevant work, the claimant is not disabled. If the claimant is unable to do any past relevant work or does not have any past relevant work, the analysis proceeds to the fifth and last step.

At the last step of the sequential evaluation process (20 CFR 404.1520(g) and 416.920(g), the Administrative Law Judge must determine whether the claimant is able to do any other work considering his/her residual functional capacity, age, education, and work experience. If the claimant is able to do other work, he/she is not disabled. If the claimant is not able to do other work and meets the duration requirements, he/she is disabled.

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).

At Step 1, claimant is not engaged in substantial gainful activity and testified that she has not worked since April, 2009. Claimant is not disqualified from receiving disability at Step 1.

At Step 2, in considering the claimant's symptoms, whether there is an underlying medically determinable physical or mental impairment(s)-i.e., an impairment(s) that can be shown by medically acceptable clinical and laboratory diagnostic techniques-that could reasonably be expected to produce the claimant's pain or other symptoms must be determined. Once an underlying physical or mental impairment(s) has been shown, the Administrative Law Judge must evaluate the intensity, persistence, and limiting effects of the claimant's symptoms to determine the extent to which they limit the claimant's ability to do basic work activities. For this purpose, whenever statements about the intensity, persistence, or functionally limiting effects of pain or other symptoms are not substantiated by objective medical evidence, a finding on the credibility of the statements based on a consideration of the entire case record must be made.

The objective medical evidence on the record includes a Faith Counseling Services psychological evaluation completed for Michigan Rehabilitation Services. Claimant was diagnosed with depressive disorder not otherwise specified, and a GAF of 59. Claimant was experiencing some emotional difficulties and needed individual psychotherapy to manage stress more effectively, reduce anxious symptoms, deal with her health condition, and increase self-confidence.

Medical Examination Report of November 5, 2009 states as claimant's current diagnosis colovaginal fistula causing incontinence of stool. All of claimant's examination

areas were normal except that there was finding of stool in her vagina. Claimant was limited to lifting/carrying up to 10 lbs. occasionally, standing/walking and sitting about 6 hours in an 8-hour workday, and could use both of her hands/arms and feet/legs for repetitive actions and for operating foot/leg controls. Claimant had no mental limitations.

[REDACTED] indicates that the claimant has a history of hypertension and that she had lupus in 2005, but has not had any more flares and the diagnosis was, in her words, "early". Claimant is not sure if she even had lupus.

January 13, 2010 psychological evaluation completed for Disability Determination Services quotes the claimant's primary issue her health, as she has two herniated disks, one degenerative disk, struggles with diverticulitis, has been losing some use of her right hand, and also has pain in her right knee making it hard to stand up sometimes. Claimant related it has been very hard for her with emotional state due to health problems, not being able to keep a job, and losing her home. Claimant had never been treated for depression.

Claimant drove herself to the clinic and was seen alone. Her gait was slow, consistent with her back being injured, and she was slow to rise from the chair. Claimant had normal reality contact, low motor activity, speech suggested reasonable cognitive skills, and she was definitely depressed and discouraged. Her stream of mental activity was normal with reasonable logic and organization. Claimant denied hallucinations or delusions, but has thought about suicide in the past year. Her most difficult physical issue is the fistula and stated she has had a test and no opening could be found. Claimant's emotional reaction was definitely more depressed and worrisome related to her immediate situation, but her affect was appropriate. She was oriented to time, person, place, and knew the reason for evaluation. Diagnosis was that of major depression secondary to medical condition and current GAF of 52. Prognosis cited significant obstacles to being able to work. If appropriate health care were available, claimant's employability may improve to the extent she may be able to function on a worksite, as she does have good social skills and appears to have reasonable intellectual resources.

Medical examination of January 29, 2010 indicates as claimant's health issues lupus, back problems, diverticulitis, and hypertension. Impressions were those of probably dominant right carpal tunnel syndrome, no evidence of clinical lupus, with history of positive ANA (Anti-Nuclear Antibody test), diverticular disease with history of diverticulitis, recto-vaginal fistula with constant passive stooling, chronic low back pain, sciatica versus disc disease, uncontrolled hypertension, and obesity. Claimant's history is more consistent with carpal tunnel syndrome than with lupus, as her laboratory findings of a positive ANA are non-specific and Prednisone is a non-specific treatment, often yielding positive results in a multitude of situations. On examination today, there were no abnormal findings in the joints of the hands, other than some decreased range of motion in the left wrist. Claimant should avoid repetitive hand use and twisting

jars/bottles, but should be able to perform both fine and gross motor skills with her hands. Claimant's back pain with radiation to the left leg is intermittent. Her gait was normal and straight leg raising was negative. Claimant should be able to sit, stand, squat, walk, climb stairs, and perform non-repetitive bending and non-repetitive stooping, and should be able to lift 20 pounds. Claimant's blood pressure was elevated and she was advised to follow up with her family doctor, avoid extra added table salt, and to cut back on eating at fast food restaurants. Weight loss was also recommended. Regarding the claimant's diverticular disease and particularly the recto-vaginal fistula, a letter from the urogynecologist was reviewed. It is recommended that the claimant undergo surgical repair of the fistula, so as to lead a normal life, without constant passive stooling. The diverticular disease in itself is not the main issue.

A letter from the urogynecologist from January, 2010 states that the claimant needs surgery that involved fistula repair, coinciding with a diverting loop ileostomy. The loop ileostomy would be in place for approximately 3 months and then corrective takedown would be done.

Medical evidence has clearly established that claimant has an impairment (or combination of impairments) that has more than a minimal effect on claimant's work activities. See Social Security Rulings 85-28, 88-13, and 82-63. Claimant has therefore met her burden of proof at Step 2, and analysis continues.

At Step 3 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. This Administrative Law Judge finds that the claimant's medical record will not support a finding that claimant's impairment(s) is a "listed impairment" or equal to a listed impairment. Accordingly, claimant cannot be found to be disabled based upon medical evidence alone. 20 CFR 416.920(d).

At Step 4, the Administrative Law Judge concludes that the claimant is incapable of performing past relevant work. While such work was of a sedentary nature, claimant has leaking feces from her vagina that she cannot control throughout the day. Claimant is not disqualified 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 other 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).

**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).

**Heavy work.** Heavy work involves lifting no more than 100 pounds at a time with frequent lifting or carrying of objects weighing up to 50 pounds. If someone can do heavy work, we determine that he or she can also do medium, light, and sedentary work. 20 CFR 416.967(d).

Claimant has submitted sufficient objective medical evidence that she lacks the residual functional capacity to perform tasks from her prior employment. Medical evaluation of January, 2010 indicates that the claimant has constant passive stooling that prevents her from leading a normal life, and that she needs to undergo surgical repair of the fistula that is causing this stooling. While the claimant's physical limitations (i.e. back issues, hypertension, etc.) would not necessarily impact her ability to perform all types of work, the fact that she has constant passive fecal leakage would prevent her from engaging in any work. The evidence also establishes the necessary duration because, when an applicant cannot afford the prescribed treatment or medicine necessary to regain his or her ability to perform substantial gainful activity, and he or she can find no way to obtain it, a condition that is disabling in fact continues to be disabling in law. [REDACTED]).

In claimant's case, she cannot afford the recommended surgery necessary to alleviate the condition which presently causes her to be unable to engage in basic work activities; consequently she is disabled for purposes of MA/SDA eligibility.

The department's Bridges 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, page 1. Because the claimant does meet the definition of disabled under the MA-P program and because the evidence of record does establish that claimant is unable to work for a period exceeding 90 days, the claimant meets the disability criteria for State Disability Assistance benefits also.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department improperly determined that the claimant is not disabled for MA, retro MA and SDA eligibility purpose.

Accordingly, the department's decision is REVERSED. Department shall:

1. Process claimant's disputed MA, retro MA and SDA October 30, 2009 application and grant her any such benefits she is otherwise eligible for (i.e. meets financial and non-financial eligibility requirements).
2. Notify the claimant of this determination.
3. Review claimant's case in December, 2011, at which time updated medical records are to be obtained.
4. Claimant is required to comply with all recommended medical treatment, or her MA and SDA eligibility may end in the future.

SO ORDERED.

/s/\_\_\_\_\_

Ivona Rairigh  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: December 14, 2010

Date Mailed: December 14, 2010

**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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