

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

IN THE MATTER OF:



Reg. No: 2010-40041  
Issue No: 2009, 4031  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
July 27, 2010  
Cass 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, a telephone hearing was held on July 27, 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)?

**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 March 19, 2010, claimant filed an application for Medical Assistance, State Disability Assistance and Retroactive Medical Assistance benefits alleging disability.
- (2) On May 20, 2010, the Medical Review Team denied claimant's application stating that claimant could perform prior work.
- (3) On May 24, 2010, the department case worker sent claimant notice that her application was denied.
- (4) On June 17, 2010, claimant filed a request for a hearing to contest the department's negative action.
- (5) On July 2, 2010, the State Hearing Review Team again denied claimant's application stating that claimant is capable of performing other work in the

form of light work per 20 CFR 416.967(b) pursuant to Medical Vocational Rule 202.18.

- (6) The hearing was held on July 27, 2010. At the hearing, claimant waived the time periods and requested to submit additional medical information.
- (7) Additional medical information was submitted and sent to the State Hearing Review Team on August 16, 2010.
- (8) On August 18, 2010, the State Hearing Review Team again denied claimant's application stating in its' analysis and recommendation: the evidence supports that the claimant would reasonably retain the ability to perform light-exertional tasks of a simple and repetitive nature. Additionally there is a Department of Human Services Administrative Law Judge decision dated December 11, 2009, (p. 121) finding that the claimant retains the ability to perform light exertional simple and repetitive tasks. 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 a wide range of light simple and repetitive work. Therefore, based on the claimant's vocational profile of 49 years old, a high school equivalent education, and a history of light simple and repetitive employment, Medicaid-P is denied using Vocational Rule 202.20 as a guide. Retroactive MA-P was considered in this case and is also denied. State Disability Assistance 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. Listings 1.02-1.05, 5.05, 11.02, 11.03, 11.14, 12.04, 12.06, 12.08, and 12.09 were considered in this determination.
- (9) Claimant is a 49-year-old woman whose birth date is [REDACTED]. Claimant is 5'3" tall and weighs 192 pounds. Claimant has an 8<sup>th</sup> grade education and a GED. Claimant is able to read and write and does have basic math skills.
- (10) Claimant last worked 2005 at [REDACTED] as a cashier.
- (11) Claimant alleges as disabling impairments: liver disease, arthritis, thyroid disease, bladder problems, seizures, missing 3 fingers from the left hand, 3 concussions, hepatitis C, anxiety, depression, and post traumatic stress disorder from being sexually abused, as well as fibromyalgia.

### **CONCLUSIONS OF LAW**

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 has not worked since 2005. Claimant is not disqualified from receiving disability at Step 1.

The objective medical evidence on the record indicates that claimant testified that she lives alone in a house that her sister owns and pays no rent. Claimant is single with no children under 18 and has no income but receives Food Assistance Program benefits. Claimant does not have a driver's license because of a past DUI, and her sister takes her where she needs to go. Claimant does cook 2-3 times per week and cooks things like hamburger helper and she does grocery shop 2 times per month and gets rides and

needs help with a ride and carrying the groceries. Claimant does the dishes and dusts and her hobbies are playing board games, bible study and reading. Claimant testified that she can stand for 5-10 minutes, sit for 10-15 minutes and walk 1-2 blocks. Claimant testified that she cannot squat but she can bend at the waist. She has arthritis in her knees and back and she is able to shower and dress herself, tie her shoes, but not touch her toes. Claimant testified that her level of pain on a scale from 1-10 without medication is a 10 and with medication is a 6-7 and she is left handed and has carpal tunnel syndrome in her hands and arms and her legs and feet ache. Claimant testified that the heaviest weight that she can carry is less than 10 pounds and she does smoke 5 cigarettes per day, her doctor has told her stop and she is not in a smoking cessation program but is using the patch. Claimant testified that she doesn't drink alcohol and had stopped doing drugs about 10 years ago.

Medical reports in the file indicate that claimant was admitted July 22, 2010, for a psychiatric evaluation and she was assessed with depression, post traumatic stress disorder, poly substance abuse, which appeared to be in remission except for marijuana, panic disorder with agoraphobia, and her current GAF is 45. The mental status examination indicates that she was a female of age appropriate appearance, obese, normally dressed for the weather, fair and adequate grooming. She came in with a suspicious affect and is apparently jumpy to begin with. For most of the interview she tended to look away and turn her chair away from the examiner and rapport was barely adequate. No abnormal involuntary movements. Her interview was marked by frequent breakdowns into sobbing but she recovers from it fairly and rapidly. No thought disorder. Thought content was worthlessness, hopelessness, and wish for death on occasions without current suicidal intent. No delusional thought features. No manic features, no homicidal ideations. Mood depressed. Affect is depressed, labile, anxious and suspicious perception and no history of hallucinations. Cognition unremarkable. Judgment is mild to moderately impaired, possibly some impulsivity. Insight is impaired (New information pp. 1-3).

A Great Lakes Medical evaluation dated December 21, 2009, indicates that the claimant's blood pressure was 120/70. Pulse was 60 and regular. Respirations 16, weight 174 pounds, height 64" with no shoes. Claimant was cooperative. Hearing appeared normal and speech was clear. The claimant hears normal conversational tone and answers questions appropriately. Gait is normal without use of an assistive device. On the skin there are no lesions appreciated, nor is there cyanosis or clubbing. Eyes: visual acuity: right eye 20/20 and left eye 20/25 with corrected vision. The sclerae are not icteric, nor are there any conjunctival pallor. Pupils are equal and reactive to light in accommodation. The fundus appears normal. The neck was supple with no thyroid masses or goiter. No bruits are appreciated over carotid arteries. There is no lymphadenopathy. The chest AP diameter is grossly normal. Lungs are clear to auscultation without any adventitious sounds. Heart S1 and S2 were normal and heard. No murmurs or gallops appreciated. The heart does not appear to be enlarged clinically. The PMI is not displaced. The abdomen was flat and non-tender, non-distended, soft with normal bowel sounds x4. There is no hepatosplenomegaly and no peritoneal signs. In the extremities the musculoskeletal: the claimant has left hand

examined and she does have amputated digits 3-5 at the PCP joint. She has decreased hand grip to 50% on this side with digital dexterity moderately affected. She was able to pick up a pen and click it open. She is also able to pick up a credit card and place it on the examination table. Right hand has full hand and grip strength and full digital dexterity. This claimant reported being left handed which is the hand with the amputated fingers. There is no edema and no evidence of varicose veins. Orthopedic maneuvers on and off the table and heel toes are performed with mild difficulty and squatting is performed with moderate difficulty. Straight leg raising is positive to 60 degrees of angulation to the right and 80 degrees of angulation on the left. There are no paravertebral muscle spasms. Motor strength is 5/5 in all extremities. Hands are examined for Heberden's nodules and bowing deformities, and aside from the amputated 3-5 digits of the left hand as dictated above, there are no bony deformities of the hand. Neurological area and cranial 2-12 are grossly intact, 5/5 strength in all extremities, with the exception of the left hand. Reflexes are equal and symmetric throughout. There is no disorientation noted (Exhibites 63-466).

This Administrative Law Judge did consider all of the nearly 500 pages of medical records contained in claimant's file in making this decision.

A medical examination report dated December 1, 2008, indicates that claimant was normal in all areas of examination and she weighed 183 pounds and her blood pressure was 118/75. Clinical impression is that claimant was stable and she could stand or walk at least 2 hours in an 8 hour day and sit about 6 hours in an 8 hour day. She could use both of her upper extremities for simple grasping, reaching, pushing and pulling and fine manipulating, and she could operate both foot and leg controls with both feet and legs and had no mental limitations (pp.185-186).

A second medical examination report dated March 6, 2010, indicates that the clinical impression is that claimant is deteriorating and that she could occasionally carry 10 pounds or less. She could stand or walk less than 2 hours in an 8 hour day and sit less than 6 hours in an 8 hour day. She could do simple grasping and fine manipulating with her upper extremities but not reaching and pushing and pulling as she could not operate foot and leg controls due to pain from fibromyalgia. She was severely depressed and had some problems with comprehension, memory, and sustained concentration (p. 119).

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. The clinical impression is that claimant is stable or deteriorating. 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, post traumatic stress 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 no 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 he 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 he 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 *Dictionary of Occupational Titles*, published by the Department of Labor... 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 he lacks the residual functional capacity to perform some other less strenuous tasks than in her prior employment or that he 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 he 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 he 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 he 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 he has not established by objective medical evidence that he cannot perform light or sedentary work even with her impairments.

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 indicate that claimant has a history of tobacco, 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.

It should be noted that claimant continues to smoke despite the fact that her doctor has told her to quit. Claimant is not in compliance with her treatment program.

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

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

/s/

Y. Lain

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

Date Signed: August 30, 2010

Date Mailed: August 31, 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.

LYL/alc

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