

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 2010-30498  
Issue No: 2009  
Case No: [REDACTED]  
Hearing Date: June 16, 2010  
Delta County DHS

**ADMINISTRATIVE LAW JUDGE:** Landis Y. Lain for ALJ Jay W. Sexton

**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 June 16, 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 retroactive Medical Assistance (retro 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 July 20, 2009, claimant filed an application for Medical Assistance, and retroactive Medical Assistance benefits alleging disability.
- (2) On August 28, 2009, the Medical Review Team denied claimant's application stating that claimant could perform other work pursuant to Medical Vocational Rule 201.21.
- (3) On January 8, 2010, the department caseworker sent claimant notice that his application was denied.

- (4) On April 5, 2010, claimant filed a request for a hearing to contest the department's negative action.
- (5) On April 16, 2010, the State Hearing Review Team again denied claimant's application stating that it had insufficient evidence and requested a physical examination and a psychiatric evaluation.
- (6) The hearing was held on June 16, 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 September 7, 2010.
- (8) On September 13, 2010, the State Hearing Review Team again denied claimant's application stating in its analysis and recommendation: the objective medical evidence presented does not establish a disability as a listing or equivalence level. The collective medical evidence shows that the claimant is capable of performing a wide range of light work. 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 work. Therefore, based on the claimant's vocational profile of a younger individual with 14 years of education and an unskilled work history, MA-P is denied using Vocational Rule 202.20 as a guide. Retroactive Medical Assistance was considered in this case and is also denied.
- (9) On September 16, 2010, [REDACTED] Inc. sent in additional medical information which was then sent to the State Hearing Review Team.
- (10) On September 30, 2010, the State Hearing Review Team again denied claimant's application stating in its analysis and recommended decision: the newly submitted evidence does not significantly or materially alter the previous recommended decision. The new medical submitted was already in the file and does not change the prior decision. The claimant's impairments do not meet/equal the intent or severity of the Social Security Listing. The medical evidence of record indicates that the claimant retains the capacity to perform a wide range of light work. Therefore, based on the claimant's vocational profile of a younger individual, 14 years of education and unskilled work history, MA-P is denied using Vocational Rule 201.21 as a guide. Retroactive MA-P was considered in this case and was also denied.
- (11) On the date of hearing claimant is a 44-year-old man whose birth date is [REDACTED]. Claimant is 6'3" tall and weighs 295 pounds. Claimant is a high school graduate and attended three years of college in general

studies. Claimant is able to read and write and does have basic math skills.

- (12) Claimant last worked for [REDACTED] for [REDACTED] and for [REDACTED]
- (13) Claimant alleges as disabling impairments: Type II diabetes with multiple diabetic ulcers, peripheral vascular occlusive disease, vascular insufficiency, renal insufficiency, hypertension, atrial fibrillation, Hepatitis C, peripheral artery disease, lower extremity varicosities, Hyperlipidemia, chronic obstructive pulmonary disease (COPD), reactive airway disease, chronic anemia, anxiety and depression as well as a cognitive disorder, adjustment disorder and panic disorder.
- (14) On August 17, 2010, the Social Security Administration issued a Notice of Unfavorable Decision to claimant and found claimant to not be disabled.
- (15) This Administrative Law Judge is bound by the Social Security Administration's determination.

### **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 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 the Social Security Administration has issued an unfavorable decision for claimant on [REDACTED]. Claimant is not disabled. The objective medical evidence in the file indicates that a psychiatric medical report dated [REDACTED] indicates the claimant was oriented to time, person and place. He denies hallucinations and delusions. In immediate memory, he can recall four digits forward and three digits reverse. In recent memory he can recall three of three objects at three minute delay, he can recall zero to three objects even with prompting. In past, the claimant named the past few Presidents as today is Obama, Bush and Clinton. Claimant stated his birthday is [REDACTED]. He is 44 years old. The claimant named five big cities as New York, Los Angeles, Chicago, and San Diego. Claimant was asked to name current famous people, and he replied Tiger Woods, Cabrera, a Tigers player. When asked about current events, he stated that [REDACTED] was coming up and the [REDACTED] (Page 86.) He did serial 7s backwards, with one error 93, 86, 79, 72, and 66. He stated 5 times 5 equals 25. He stated 18 divided by 6 equals 3. He stated that 12 plus 9 equals 18. That 11 minus 3 equals 8. He stated that when he was asked to interpret what the following proverb, the grass is greener on the other side of the fence, he stated it's brighter and don't cry over spilled milk means it's okay. The claimant stated that a bush and a tree were alike because they are both plants are different because one is taller than the other. In judgment he stated that if he found a stamped addressed envelope lying on the ground, he would

mail it. If the claimant were the first person to die over fire in a theater, he would scream fire and when asked about future plans, he stated that he needed to get an operation. He was diagnosed with cognitive disorder NOS with decreased from previous level of higher functioning, adjustment disorder, panic disorder, alcohol dependence and sustained full admission by claimant's report (Page A7). His Axis GAF was 50, his prior muscle was guarded. He would be able to manage his own benefit funds (Page A8).

A Medical Examination Report in the file dated [REDACTED] [REDACTED] indicates that claimant was well in most areas of examination except that he had low ejection fraction 26% and palpitations claudication and decreased range of motion to the lumbar spine and flexion and decreased sensation to touch pain and vibration in the neurological area. The clinical impression is that claimant is deteriorating and that he could occasionally carry less than ten pounds. He could stand or walk less than two hours in an eight-hour work day and could sit less than six hours in an eight-hour workday. He could use both of his upper extremities for simple grasping, reaching, and fine manipulating but not pushing or pulling and using his left foot and leg for feet or leg controls (Page A10).

A [REDACTED] Medical Report indicates that his vital signs were that claimant is 6' tall and weighed 294 pounds. His blood pressure was 112/74. Temperature was 98.8 degrees, pulse is 54 per minute. His regular respiration is 16 per minute. Pulse oxymetry 99% on room air. HEENT: pupils are equal and reactive to light. Conjunctivae show no pallor. Sclerae anicteric. The neck was supple. Oral cavity appears normal. There is a lethargic appearance to his face. Jugular venous distension is absent at this time. The chest and lungs decrease air bilaterally. No evidence of rhonchi or crackles at this time. Resonance of percussion. Heart: S1 and S2 heart irregular. No alert sounds or murmurs heard at this time. Pedal pulses cannot be felt. There is a one plus puffy edema over both legs. The abdomen was soft, nontender, nondistended with positive bowel sounds. No hepatosplenomegaly detected. The skin did not show any evidence of any rash. As a Stage 3 ulcer at the base of the first metatarsal on the left foot. The margins appear to be clean with no evidence of necrotic tissue at the base of the ulcer. Neurological area cranial nerves 2 through 12 are intact. Sensation to touch and vibrations are impaired in both lower extremities. Deep tendon reflexes are 1+. Plantar is ongoing. In the musculoskeletal area, there is no focal spinal tenderness. Restrictive range of motion of the spine is especially flexion. Straight leg raising was negative. Gait and coordination was normal. Musculoskeletal no focal spinal tenderness. Restrictive range of motion of the spine especially in flexion. Straight leg raising negative. Gait and coordination normal. In psychiatric he was awake, alert and oriented to x3. Flattening of affect at this time. No suicidal tendencies. (Page A14.)

At Step 2, claimant has the burden of proof of establishing that he 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 his 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 himself from tasks associated with occupational functioning based upon his 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: a cognitive disorder, adjustment disorder and depression and anxiety.

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 his burden of proof at Step 2. Claimant must be denied benefits at this step based upon his 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 him again at Step 4 based upon his ability to perform his 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 his 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 his prior employment or that he is physically unable to do light or sedentary tasks if demanded of him. 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 his 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 him from performing any level of work for a period of 12 months. The claimant's testimony as to his 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 his impairments. Under the Medical-Vocational guidelines, a younger individual (age 44), with 14 years of education and an unskilled work history who is limited to light work is not considered disabled pursuant to Medical Vocational Rule 201.21.

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 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 his substance abuse is material to his alleged impairment and alleged disability.

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 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.

**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 benefits. The claimant should be able to perform a wide range of light or sedentary work even with his 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 Maura D. Corrigan, Director  
Department of Human Services

Date Signed: August 23, 2011

Date Mailed: August 24, 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.

LYL/tg

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