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

IN THE MATTER OF:

Reg. No.: 201111719

Issue No.: 2009

Case No.:

Hearing Date: May 18, 2011

DHS County: Oakland County (02)

ADMINISTRATIVE LAW JUDGE: Robert J. Chavez

# **HEARING DECISION**

This matter is before the undersigned Admini strative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a hearing was held on May 18, 2011 at the Depar tment of Human Se rvices office in Oakland County, Michigan, District 02.

## <u>ISSUE</u>

Was the denial of claimant's application for MA-P for lack of disability correct?

### FINDINGS OF FACT

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

- (1) Claimant applied for MA-P and retroactive MA-P on August 30, 2010.
- (2) Claimant is years old.
- (3) Claimant has a high school equivalent education.
- (4) Claimant is not currently meeting SGA requirements.
- (5) Claimant has a work history consisting of waitressing.
- (6) In claimant's treating s ource completed a psychiatric evaluation and diagnosed claimant with major depressive disorder, severe, recurrent.

- (7) Claimant's treating source noted that claim ant has a history of deep depres sion, anhedonia, concentration problems and suici dal ideation, including one attempt in
- (8) Claimant received a GAF of 48.
- (9) Claimant's treating source complet ed a Mental Residual Functional Capacity Assessment dated and a source complet ed a Mental Residual Functional Capacity , and noted that claimant is markedly limited in twelve categories and moderately limited in eight categories.
- (10) This RFC assessment is supported by claimant's psychiatric records.
- (11) Claimant's records show that claimant tends to hav e periods of functionality punctuated by periods of decompensation.
- (12) On October 7, 2010, the Medical Re view Team denied MA-P, stating that claimant had a non-exertional impairment.
- (13) On December 21, 2010, claimant filed for hearing.
- (14) On January 26, 2011, the State Hear ing Review T eam denie d MA-P, and retroactive MA-P, stating that claimant was capable of performing other work.
- (15) On May 18, 2011, a hearing was held before the Administrative Law Judge.
- (16) Claimant submitted additional records at the hearing, which wer e submitted to SHRT.
- (17) SHRT denied MA-P again on June 21, 2011, stating that claimant was capable of other work.

# **CONCLUSIONS OF LAW**

The Medical Assistance (MA) program is estab lished by Title XIX of the Social Sec urity Act and is implemented by Title 42 of the C ode of Federal Regulations (CFR). The Department of Human Servic es (DHS or Department) adm inisters 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 Bridges Reference Manual (BRM).

Federal regulations require that the Department use the same operative definition of the term "disabled" as is used by the Social Security Administration for Supplemental Security Income (SSI) under Title XVI of the Social Security Act. 42 CFR 435.540(a).

Disability is defined as the inability to do any substantial gainful activity by reason of any medically determinable physical or mental im pairment which can be expected to result

in death or which has lasted or can be expect ed to last for a continuous period of not less than 12 months. 20 CFR 416.905

This is determined by a five step sequential evaluat — ion proces s where c urrent work activity, the severity and duration of the im — pairment(s), statutory—listings of medical impairments, residual functional—capacity, and vocational factors (i.e., age, education, and work experience) are considered. These—factors are always—considered in order according to the five step sequential evaluation, and when a determination can be made at any step as to the claimant's—disability status, no analys is of subsequent steps—are necessary. 20 CFR 416.920

The first step that must be considered is whether the claimant is still partaking in Substantial Gainful Activity (SGA). 20 CF R 416.920(b). To be considered disabled, a person must be unable to engage in SGA. A person who is earning more than a certain monthly amount (net of impairment-related work expenses) is ordinarily considered to be engaging in SGA. The amount of monthly earnings considered as SGA depends on the nature of a person's disability; the Social Security Act specifies a higher SGA amount for statutorily bolind individuals and a lower SGA amount for non-blind individuals. Both SGA amounts increase with increases in the national average wage index. The monthly SGA amount for statutorily blind individuals for 2010 is \$1,640. For non-blind individuals, the monthly SGA amount for 2010 is \$1000.

In the current case, claimant has testif ied that she is not making SGA, and the Department has presented no evidence or allegations that claimant is engaging in SGA. Therefore, the Administrative Law Judge finds that the claimant is not engaging in SGA, and thus passes the first step of the sequential evaluation process.

The second step that must be considered is whether or not the claimant has a sever e impairment. A severe impairment is an impairment expected to last 12 months or more (or result in death), which significantly limit s an individual's physical or mental ability to perform basic work activities. The term "b asic work activities" means 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).

The purpose of the second st ep in the sequential ev aluation process is to screen out claims lacking in medical merit. *Higgs v. Bowen,* 880 F2d 860, 862 (6<sup>th</sup> Cir, 1988). As a result, the Department may only screen out cl aims at this level which have "totally groundless" solely from a medical standpoint. This is a *de m inimus* standard in the disability determination that the court may use on by to disregard trifling matters. As a rule, any impairment that can reasonably be expected to significantly impair basic activities is enough to meet this standard.

In the current case, claimant has pres ented medical evidence of major depressive disorder that has rendered them unable to complete a full, normal workday without psychological interruptions and unable to m aintain concentration, persistence, or pace, according to the great weight of the evi dence by both the Depar tment and claimant's treating sources. Claimant als o has some history of self-destructive behavior and suicidal ideation that would prevent her from performing work full-time. Claimant's medical records show that claimant has had this condition for several years. The Administrative Law Judge finds that this is a significant impairment to claimant's performance of basic physical work activities, and is therefore enough to pass step two of the sequential evaluation process.

In the third step of the sequential evaluati on, we must determine if the claimant's impairments are listed in A ppendix 1 of Subpart P of 20 CF R, Part 404. 20 CF R 416.925. This is, generally s peaking, an objective standar d; either claimant's impairment is listed in this appen dix, or it is not. However, at this step, a ruling against the claimant does not direct a finding of "not disabled"; if the claimant's impairment does not meet or equal a listing found in Appendix 1, the sequential evaluation process must continue on to step four.

The Administrative Law Judge finds that the claimant's medical records contain medical evidence of an impairment that meets or equals a listed impairment.

After considering the listings c ontained in Section 12.00 (Mental Impairments), the Administrative Law J udge finds that the cl aimant's medical records contain medica I evidence of an impairment that meets or equals a listed impairment.

Appendix 1 of Subpart P of 20 CFR 404, Section 12.00 has this to say about mental disorders:

The criteria in paragraph A substantiate medically the presence of a particular mental disorder. Specific symptoms, signs, and laboratory findings in the paragraph A criteria of any of the listings in this section cannot be considered in isolation from the description of the mental disorder contained at the beginning of each listing c ategory.

Impairments should be analyz ed or reviewed under the mental category(ies) indicated by the medical findings...

The criteria in paragraphs B and C describe impair mentrelated functional limitations that are incompatible with the ability to do any gainful activity. The functional limitations in paragraphs B and C must be the result of the mental disorder described in the diagnostic description, that is manifested by the medical findings in paragraph A...

We measure severity according to the functional limit ations imposed by your medically determinable mental impairment(s). We assess functional limit ations using the four criteria in paragraph B of the listings: Activities of daily living; social functioning; concentration, persistence, or pace; and episodes of decompensation.

Where we use "marked" as a standard for measuring the degree of limitation, it means more than moderate but less than extreme. A marked limitation may arise when sieveral activities or functions are impaired, or even when only one is impaired, as long as the degree of limitation is such as to interfere seriously with your ability to function independently, appropriately, effectively, and on a sustained basis. See §§ 404.1520a and 416.920a.

**12.04 Affective disorders**: Characterized by a distur bance of mood, accompanied by a full or partial manic or depressive syndrome. Mood refe rs to a prolonged emotion that colors the whole psychic li fe; it generally involves either depression or elation.

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

- A. Medically documented persist ence, either continuous or intermittent, of one of the following:
- 1. Depressive syndrome characterized by at least four of the following:
- a. Anhedonia or per vasive los s of intere st in a lmost all activities; or
- b. Appetite disturbance with change in weight; or
- c. Sleep disturbance; or
- e. Decreased energy; or

- f. Feelings of guilt or worthlessness; or
- g. Difficulty concentrating or thinking; or
- h. Thoughts of suicide; or
- i. Hallucinations, delusions, or paranoid thinking; or
- 2. Manic s yndrome characterized by at least three of the following: ...
- 3. Bipolar syndrome with a history of episodic periods manifested by the full symptomatic picture of both manic and depressive syndrome (and current ly characterized by both syndromes);

### AND

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

### OR

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

In order to meet or equal the listings for mental impairment, a claimant must either meet or equal the recommended listings—contained in bot h the A and B criteria, or meet or equal the listings in the C criteria. After examination of the C criteria, the undersigned holds that there is not enough evidence to show—that the claimant meets this listing. However, a careful examination of claimant's medical records, supplied from a treating source, show claimant meets both the A and B criteria.

Claimant's psychological reports, as well as those administer ed by the Department show documented persistence of claimant's major depressive disorder. Claimant's records also show an indiscretion vidual with decrete eased energy. Claimant has poor concentration, is easily distractible, and has a poor memory. Claimant has had suic idal ideation, including an attempt in Finally, claimant's treating sources stated that claimant experienced marked difficulties in 6 of the 8 Sustained Concentration and Persistence categories, lead ing to a well supported conclusion that claimant has difficulties in concentration and thinking. Therefore, the undersigned holds that claimant meets or equals the listings found in the A criteria.

Claimant a lso h as m arked diffic ulties in m aintaining concentration, persist ence and pace. Concentration, persistence or pac e refers to the ability to sustain focused attention and concentration su fficiently long to permit the timely and appropriat e completion of tasks commonly found in work settings. These limitations must be of such an extent that claimant is held to be markedly impaired with regard to concentration persistence and pace. 20 CFR 404 App 1, Sub P, 12.00 (C)(3).

cal Mental Residual Functi onal Capacity assessment, 8 As stated above, in a typi categories are dedicated to Sustained C oncentration and Persistence. Claimant received a rating from her treating source of "markedly limited" in 6 of these categories, including the categories of "ability to main tain attention and concentration for extended periods", "ability to perform activities within a schedule, maintain regular attendance and be punctual within customary tolerances", and the "ability to complete a normal workday and worksheet without interruptions from psychological based symptoms and to perform at a consistent pace without an unreasonable e number and length of rest periods". Treating source opinions cannot be discount ed unles s the Administrative Law Judge provides good reasons for discounting the opinion. Rogers v. Commissioner, 486 F. 3d 234 (6 th Cir. 2007); Bowen v Commissioner, 473 F. 3d 742 (6 th Cir. 2007); restated No. 08-6389 (6 th Cir. July 21, (again) in Hensley v. Commissioner, undersigned sees no reason to discount claimant's treating source opinions, as they are consistent with c urrent psychiatric r eports, and the undersigned's own hearin observations, and thus accepts this Mental RFC assessment as accurate. Furthermore, a second Mental RFC assessment completed in that claiman t still had these issues, with little improvement.

Therefore, as these c ategories are exactly what were contemplated by the listings for the B criteria, the undersigned holds that claimant is markedly limited in maintaining concentration, persistence and pace.

Finally, *social functioning* refers to the capacity to interact independently, appropriately, effectively, and on a sustained basis with other individuals. 20 CFR 404 App 1, Sub P, 12.00 (C)(2). Claimant's mental RFC notes, with regard to social interactions, that claimant was markedly limite d in the ability to accept ins tructions and respond appropriately to critic ism from supervisors and the ability to get along with co-workers and peers without distracting them or exhibiting behavioral extremes.

While this assessment shows claimant could be markedly impaired on maintaining social functioning in a work-related env ironment, the listings do not limit social functioning to this area. Soci al functioning is specifically defined as a general ability to maintain social functioning with individuals. Thus, while the mental RFC is useful in examining one area of claimant's life, it is hardly useful in examining all of her general social interactions.

However, the evidence of record is more than enough to fill in the gaps. Claimant has a history of social isolation. Claimant is anxious ar ound others. Claiman t, at the time of application, had trouble social izing, though there has been recent improvement. More importantly, claimant has been given a GAF of 48 by her treating source. A GAF between 41-and 50 is generally defined as having a serious impairment in social, occupational, or school functioning. Claimant's GAF is at this level. These GAF scores would be consistent, considering the record as a whole, with an individual with a serious impairment in social functioning.

Finally, claimant's records show that clai mant often has relapses of decompensation; while claimant currently works a very limited schedule, claimant is incapable of working more hours due to her inability to handle the so cial stressors involved. While clamant appears to be doing better than her initial evaluation, the undersigned does not believe that claimant has improved enough by the time of this writing to materially affect this decision.

Therefore, when c ombining claimant's Mental RF C assess ment, and claimant's psychiatric record, including claimant's GAF scores, the Administrative Law Judge is able to hold that claimant is markedly impaired in social functioning.

As claimant is markedly impaired in conc entration, persistence and pace, and social functioning, the Administrative Law Judge holds that the claimant meets the B criteria in the listings for mental impairments.

As claimant meets both the A and B criteria , the Adm inistrative Law Judge holds that claimant meets or equals the listings contained in section 12.00, and therefore, passes step 3 of our 5 step process. By meeting or equaling the listing in question, claimant must be considered disabled. 20 CFR 416.925.

With regard to steps 4 and 5, when a determination c an be made at any step as to the claimant's disability status, no analysis of subsequent steps are necessary. 20 CFR

416.920. Therefore, the Administrative Law Judge's ees no reason to continue his analysis, as a determination can be made at step 3.

# **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusion sof law, decides that the claimant is disabled for the purposes of the MA program. Therefore, the decisions to deny claimant's application for MA-P were incorrect.

Accordingly, the Department's decis ion in the a bove stated matter is, hereby, REVERSED.

- 1. The Department is ORDERED to process claimant's MA-P application and award required benefits, provided claimant meets all non-medical standards as well.
- 2. The Department is further ORDERED to init late a review of claimant's disability case in August, 2012.

Robert

J. Chavez Administrative Law Judge for Maura Corrigan, Director Department of Human Services

Date Signed: July 29, 2011 Date Mailed: July 29, 2011

**NOTICE**: Administrative Hearings may or der 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 Hear ings 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 ti mely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

