

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

IN THE MATTER OF:



Reg. No: 201235698
Issue No: 2009, 4031
Case No: [REDACTED]
Hearing Date: May 3, 2012
Bay County DHS

ADMINISTRATIVE LAW JUDGE: Christopher S. Saunders

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 May 3, 2012. Claimant personally appeared and provided testimony.

ISSUE

Did the Department of Human Services (the department) properly determine that Claimant was no longer disabled and deny her review application for Medical Assistance (MA-P) and State Disability Assistance (SDA) based upon medical improvement?

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 was a Medical Assistance and State Disability Assistance benefit recipient and her MA and SDA cases were scheduled for review in January 2012.
2. Claimant filed the necessary paperwork to complete a redetermination for Medical Assistance and State Disability Assistance benefits alleging continued disability.
3. On February 6, 2012, the Medical Review Team denied Claimant's application. (Department Exhibit A pages 1-2).
4. On February 14, 2012, the department caseworker sent Claimant notice that her MA and SDA cases would be closed based upon medical improvement.

5. On February 23, 2012, Claimant filed a request for a hearing to contest the department's negative action.
6. On April 5, 2012, the State Hearing Review Team again denied Claimant's Redetermination stating that Claimant is capable of performing simple, unskilled, sedentary work. The State Hearing Review Team commented that the Claimant's impairments do not meet/equal the intent or severity of a Social Security listing and that the medical evidence of record indicates that the claimant retains the capacity to perform simple, unskilled, sedentary work. Therefore, based on the claimant's vocational profile of a younger individual with a limited school education, and no relevant work history, MA-P is denied due to medical improvement using Vocational Rule 201.24 as a guide. SDA is denied per BEM 261 because the nature and severity of the claimant's impairments no longer preclude work activity at the above stated level for 90 days.
7. On September 23, 2011, the claimant was seen at [REDACTED] for a medication review and was given an Axis I diagnosis of bipolar disorder type I with prior report of psychotic symptoms and anxiety disorder NOS. She was also given an Axis II diagnosis of borderline personality disorder by [REDACTED]. The mental residual functional capacity assessment signed by [REDACTED] shows that the doctor believes the claimant to have marked limitations in sustained concentration and persistence and several marked limitations in the area of social interaction. (Department Exhibit A pages 9, 33-34).
8. On June 2, 2011, the claimant was seen at [REDACTED] for a medication review. It was noted that she was irritable, slightly restless, and slightly depressed. It was further noted that she complained of auditory hallucinations. The claimant was given an Axis I diagnosis of bipolar disorder NOS and assigned a GAF of 50. (Department Exhibit A page 78).
9. The claimant also had an annual assessment conducted at M.P.A. on June 2, 2011. The diagnostic summary included a diagnosis of bipolar disorder, severe, with psychotic features and a GAF of 45. (Department Exhibit A pages 80-83).
10. Claimant was receiving Medicaid and State Disability Assistance at the time of her review.
11. Claimant alleges as disabling impairments bipolar disorder, asthma, anxiety, eczema, and chronic knee pain.

12. Claimant is a 25 year-old woman whose birth date is [REDACTED]. Claimant is 5' 1" tall and weighs 230 pounds. Claimant completed the tenth grade in school and did not subsequently obtain a GED. Claimant has no additional education or training and Claimant does not have any relevant work history.
13. Claimant is not currently working and could not remember the last time she worked.
14. As of the date of hearing, the claimant had applied for Social Security disability benefits. She was denied at application and appealed that determination. She testified that she received an unfavorable decision at appeal but that she had requested a review by the Appeals Council.

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 Mich Admin Code, Rules 400.3151-400.3180. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

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 Reference Tables Manual (RFT).

Pursuant to the federal regulations at 20 CFR 416.994, once a client is determined eligible for disability benefits, the eligibility for such benefits must be reviewed periodically. Before determining that a client is no longer eligible for disability benefits, the agency must establish that there has been a medical improvement of the client's impairment that is related to the client's ability to work. 20 CFR 416.994(b)(5).

To assure that disability reviews are carried out in a uniform manner, that a decision of continuing disability can be made in the most expeditious and administratively efficient way, and that any decisions to stop disability benefits are made objectively, neutrally, and are fully documented, we will follow specific steps in reviewing the question of whether your disability continues. Our review may cease and benefits may be continued at any point if we determine there is sufficient evidence to find that you are still unable to engage in substantial gainful activity. 20 CFR 416.994(b)(5).

The first questions asks:

- (i) Are you engaging in substantial gainful activity? If you are (and any applicable trial work period has been completed), we will find disability to have ended (see paragraph (b)(3)(v) of this section).

Claimant is not disqualified from this step because she has not engaged in substantial gainful activity at any time relevant to this matter. Furthermore, the evidence on the record fails to establish that Claimant has a severe impairment which meets or equals a listed impairment found at 20 CFR 404, Subpart P, Appendix 1. Therefore, the analysis continues. 20 CF 416.994(b)(5)(ii).

The next step asks the question if there has been medical improvement.

Medical improvement is any decrease in the medical severity of your impairment(s) which was present at the time of the most recent favorable medical decision that you were disabled or continued to be disabled. A determination that there has been a decrease in medical severity must be based on changes (improvement) in the symptoms, signs and/or laboratory findings associated with your impairment(s). 20 CFR 416.994(b)(1)(i).

If there is a decrease in medical severity as shown by the symptoms, signs and laboratory findings, we then must determine if it is related to your ability to do work. In paragraph (b)(1)(iv) of this section, we explain the relationship between medical severity and limitation on functional capacity to do basic work activities (or residual functional capacity) and how changes in medical severity can affect your residual functional capacity. In determining whether medical improvement that has occurred is related to your ability to do work, we will assess your residual functional capacity (in accordance with paragraph (b)(1)(iv) of this section) based on the current severity of the impairment(s) which was present at your last favorable medical decision. 20 CFR 416.994(b)(2)(ii).

The State Hearing Review Team upheld the denial of SDA and MA benefits on the basis that Claimant's medical condition has improved. Pursuant to the federal regulations, at medical review, the agency has the burden of not only proving Claimant's medical condition has improved, but that the improvement relates to the client's ability to do basic work activities. The agency has the burden of establishing that Claimant is

currently capable of doing basic work activities based on objective medical evidence from qualified medical sources. 20 CFR 416.994(b)(5).

In this case, the agency has not met its burden of proof. The agency has not provided sufficient evidence to show that Claimant's improvement relates to her ability to do basic work activities. Although the department has shown that the claimant has made some improvements in her mental condition, the department has failed to show that those improvements relate to her ability to do basic work related activities. The agency provided no objective medical evidence from qualified medical sources that show Claimant is currently capable of doing basic work activities. Accordingly, the agency's SDA and MA eligibility determination cannot be upheld at this time.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the agency failed to establish that Claimant no longer meets the SDA or MA disability standard.

Accordingly, the agency's determination is **REVERSED**.

It is HEREBY ORDERED that if the claimant is otherwise eligible, the department shall reinstate SDA and MA benefits back to the date of closure and, if applicable, issue any past due benefits due and owing that the claimant is otherwise eligible to receive. The department shall conduct a review of the claimant's eligibility for disability benefits one year from the date of this decision and order.

/s/ _____
Christopher S. Saunders
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: June 1, 2012

Date Mailed: June 1, 2012

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.

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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.

CSS/cr

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