

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 2012-55084
Issue No: 2009

[REDACTED]

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 [REDACTED]. Claimant personally appeared and testified. Claimant was represented at the hearing by [REDACTED], [REDACTED]. The department was represented by Assistant Attorney General, [REDACTED]).

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 [REDACTED], claimant filed an application for Medical Assistance and retroactive Medical Assistance benefits alleging disability.
2. On [REDACTED] 2012, the Medical Review Team denied claimant's application stating that claimant could perform other work pursuant to Medical Vocational Rule 202.13.
3. On March 26, 2012, the department caseworker sent claimant notice that his application was denied.
4. On [REDACTED], claimant filed a request for a hearing to contest the department's negative action.
5. On [REDACTED] the State Hearing Review Team again denied claimant's application stating in its analysis and recommended decision: the claimant has the following severe impairment: liver disease. Despite the claimant's liver disease, there were no reports of liver damage. Therefore,

he does not meet or equal listing 5.05. The claimant did not allege depression; however a psychological evaluation is in file. He is still able to remember, understand and communicate with others. As a result of the claimant's combination of a severe physical condition, he is capable of past work in childcare. Claimant is not engaging in substantial gainful activity at this time. Claimant's severe impairments do not meet or equal any listing. Despite the impairments, he retains the capacity to perform past work in childcare.

Therefore, based on the claimant's vocational profile (claimant approaching advanced age, 12th grade education and light work history); MA-P is denied using Vocational Rule 203.22 as a guide. Retroactive MA-P benefits are denied at step 5 of the sequential evaluation; claimant retains the capacity to perform medium work.

6. Claimant is a [REDACTED] whose birth date is [REDACTED]. Claimant is 5'8" tall and weighs 200 pounds. Claimant is a high school graduate and attended [REDACTED] for one year with a focus on truck driving. Claimant is able to read and write and can add, subtract, multiply and count money.
7. Claimant is currently involved in [REDACTED] and is licensed through the Department of Human Services. He watches his [REDACTED] per week and earns \$400 per month. Claimant watches [REDACTED]. Claimant testified that he watches them and feeds them. He has also worked in landscaping and various factory work through Manpower Temporary Services. He has worked as a self-employed mechanic, scrapping and cutting wood.
8. Claimant alleges as disabling impairments: liver disease, depression, anxiety, constant fatigue, insomnia, cirrhosis of the liver, Hepatitis C, hearing problems, cramps in stomach, circulation problems, shoulder pain, enlarged veins, suicidal ideation and forgetfulness.

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 (SGA) because he does not earn at least the minimal amount under the Social Security Administration (SSA) regulations of \$1,000 to meet the SGA standard. However, he does work 40 hours per week, watching his [REDACTED] - performing childcare for [REDACTED] ages [REDACTED]. Claimant is not disqualified from receiving disability at Step 1.

The subjective and objective medical evidence on the record indicates that the claimant testified on the record that he lives with his daughter in a trailer; he is single with no children under 18. Claimant does earn \$400 per month in childcare income and he does not receive any income from the DHS. Claimant does have a CDL driver's license and he drives once per day; usually to the store or to the doctor's office. He stated that two miles is the farthest he has to drive. Claimant testified that he cooks once daily and cooks things like spaghetti, hamburgers and goulash. He stated that he picks up the house and washes dishes occasionally. Claimant stated that he watches television for 1 to 1 ½ hours per day. He reported that he can stand for 30 minutes at a time and can sit all day long. Claimant testified he can walk 100 yards, shower and dress himself, tie his shoes and bend at the waist, but he does get dizzy. He stated he cannot squat or touch his toes. Claimant testified he has pain in his knees and his back. He reported that his level of pain on a scale of 1 to 10 without pain medication is a 5 to 10 and with medication is a 5. Claimant testified that he is right handed and has elbow pain. He stated that his legs and feet are fine, except for knee pain. Claimant testified the heaviest weight he can carry is 20 pounds and can carry grocery bags repetitively if they are not too heavy. He stated that he smokes once per month and he stopped drinking in [REDACTED]. Claimant testified that on a typical day he watches his grandchildren, walks around outside, but does not go anywhere.

A psychological evaluation dated [REDACTED] indicates that claimant was oriented to time, person and place. In immediate memory he can remember 4 numbers forward and 3 numbers backward, he can recall 3 of 3 items 3 minute later. Claimant named past presidents as Nixon, George Bush, George Bush Jr., Richard Nixon and Eisenhower. Claimant named five large cities as Chicago, Detroit, Los Angeles, New York and Memphis. He named famous people as Sally Fields, Burt Reynolds and George Clooney. Claimant testified that $6+5=11$, $7+8=15$, $3 \times 4=12$, $9 \times 9=81$, $100-7=93$ and $93-7=84$. He stated in abstract thinking "*The grass is greener on the other side of the fence*" or "*don't cry over spilled milk*" means, if something happens, don't cry over it. He stated that a tree and a bush are both planted in the ground and there different because one is taller than the other. Claimant stated that if he was the first person in a movie theatre to see smoke and fire, he would let someone know. Claimant was diagnosed with alcohol dependence in early sustained remission and depressive disorder, NOS. Axis V and GAF of 55 with a fair to good prognosis that he would be able to manage his own benefit funds (Pgs. 12-13).

A [REDACTED] medical examination report indicates that the patient was cooperative throughout the examination. He was known to have a well trimmed full beard and appeared slightly pale. The patient could hear conversational speech without limitation. There was normal intensity, clarity and sustainability of speech without stutter. The patient walks with a normal gait. An assistive device was not used. The patient's dominant hand is right. His blood pressure on the right arm was 118/64 and in the left arm was 118/70. His pulse was 80 and regular, respiration was 18, weight 209 pounds and height was 65" without shoes. His skin had spider angioma noted across the anterior chest. Visual acuity in the right eye was 20/40 and in the left eye was 20/50, without corrective lenses. There was no scleral icterus or conjunctival pallor.

Pupils were equal and reactive to light. The fundi appeared normal. The neck was supple with no masses or thyromegaly. No bruits were appreciated over the carotid arteries. There was no jugular venous distention. The chest A-P diameter was grossly normal. Breath sounds are of a normal intensity. There are no wheezes, rales or rhonchi. Accessory muscles were not used. There was no appreciated click or murmur in the heart. There was no S3 or S4. The heart did not appear to be enlarged. No orthopnea is noted. The abdomen had liver span was 11 cm. The liver edge was questionably nodular. There was no organomegaly or masses. There was no evidence of ascites. Bowel sounds were normal. In the vascular area there was no clubbing or cyanosis detected. The peripheral pulses were intact. The feet were warm and normal color. There were no femoral bruits. There was no peripheral edema. Varicose veins were not seen. There was no stasis dermatitis or ulcerations. In the musculoskeletal area, there was no joint instability, enlargement or effusion. Grip strength remained intact. Dexterity was unimpaired. The patient could pick up a coin, button clothing and open a door. The patient had no difficulty getting on and off the examination table, no difficulty heel & toe walking and no difficulty squatting. Range of motion of the joints was normal. In the neurological area, motor strength and function were normal. Sensory function remained intact. There was no shoulder girdle atrophy or spasm. Reflexes were intact and symmetrical. Romberg testing was negative. The conclusion was likely cirrhosis as the patient reported a history of liver disease. He did appear somewhat pale, although there was no overt evidence of current hepatic insufficiency (Pg. 16).

This ALJ did consider all of the [REDACTED] contained in the file while making this decision.

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 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: anxiety and depression, forgetfulness as well as stress.

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 person who is closely approaching advanced (██████████) with a more than high school education and an unskilled work history that is limited to medium or light work is not considered disabled pursuant to Medical Vocational Rule 203.22 and 202.13.

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.

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 and 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**.

/s/ _____
Landis Y. Lain
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

2012-55084/LYL

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/jk

cc:

A large black rectangular redaction box covers the majority of the text in the 'cc:' field. The only visible text at the bottom of this redacted area is 'MAHS'.

MAHS