

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 20132992
Issue No.: 2009
Case No.: [REDACTED]
Hearing Date: January 31, 2013
County: Monroe DHS

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, an in-person hearing was held on January 31, 2013, from Monroe, Michigan. Participants included the above-named claimant. [REDACTED]

[REDACTED] appeared as Claimant's authorized hearing representative. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist.

ISSUE

The issue is whether DHS properly denied Claimant's application for Medical Assistance (MA) on the basis that Claimant is not a disabled individual.

FINDINGS OF FACT

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

1. On 2/3/12, Claimant applied for MA benefits including retroactive MA benefits from 12/2011-1/2012.
2. Claimant's only basis for MA benefits was as a disabled individual.
3. On 6/21/12, the Medical Review Team (MRT) determined that Claimant was not a disabled individual (see Exhibits 4-5).
4. On 7/3/12, DHS denied Claimant's application for MA benefits and mailed a Notice of Case Action informing Claimant of the denial.

5. On 9/28/12 Claimant requested a hearing disputing the denial of MA benefits (see Exhibit 2).
6. On 7/27/12, the State Hearing Review Team (SHRT) determined that Claimant was not a disabled individual (see Exhibits 148-149), in part, by application of Medical-Vocational Rule 202.17.
7. As of the date of the administrative hearing, Claimant was a [REDACTED] year old male with a height of 5'9" and weight of 130 pounds.
8. Claimant has no known relevant history of tobacco, alcohol or illegal substance abuse.
9. Claimant's highest education year completed was the 7th grade.
10. As of the date of the administrative hearing, Claimant had a medical coverage through Monroe County which covered prescriptions and doctor visits.
11. Claimant alleged that he is disabled based on impairments and issues including: poor reading skills, poor mathematical skills, anxiousness, back pain and knee pain.

CONCLUSIONS OF LAW

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). DHS (formerly known as the Family Independence Agency) 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).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

The Medicaid program is comprised of several sub-programs which fall under one of two categories; one category is FIP-related and the second category is SSI-related. BEM 105 at 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. *Id.* AMP is an MA program available to persons not eligible for Medicaid through the SSI-related or FIP-related categories though DHS does always offer the program to applicants. It was not disputed that Claimant's only potential category for Medicaid eligibility would be as a disabled individual.

Disability for purposes of MA benefits is established if one of the following circumstances applies (see BEM 260 at 1-2):

- by death (for the month of death);
- the applicant receives Supplemental Security Income (SSI) benefits;
- SSI benefits were recently terminated due to financial factors;
- the applicant receives Retirement Survivors and Disability Insurance (RSDI) on the basis of being disabled; or
- RSDI eligibility is established following denial of the MA benefit application (under certain circumstances).

There was no evidence that any of the above circumstances apply to Claimant. Accordingly, Claimant may not be considered for Medicaid eligibility without undergoing a medical review process which determines whether Claimant is a disabled individual. *Id.* at 2.

Generally, state agencies such as DHS must use the same definition of SSI disability as found in the federal regulations. 42 CFR 435.540(a). Disability is federally defined as the inability to do any substantial gainful activity (SGA) 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 functionally identical definition of disability is found under DHS regulations. BEM 260 at 8.

Substantial gainful activity means a person does the following:

- Performs significant duties, and
- Does them for a reasonable length of time, and
- Does a job normally done for pay or profit. *Id.* at 9.

Significant duties are duties used to do a job or run a business. *Id.* They must also have a degree of economic value. *Id.* The ability to run a household or take care of oneself does not, on its own, constitute substantial gainful activity. *Id.*

The person claiming a physical or mental disability has the burden to establish a disability through the use of competent medical evidence from qualified medical sources such as his or her medical history, clinical/laboratory findings, diagnosis/prescribed treatment, prognosis for recovery and/or medical assessment of ability to do work-related activities or ability to reason and make appropriate mental adjustments, if a mental disability is alleged. 20 CFR 413.913. An individual's subjective pain complaints are not, in and of themselves, sufficient to establish disability. 20 CFR 416.908; 20 CFR 416.929(a).

Federal regulations describe a sequential five step process that is to be followed in determining whether a person is disabled. 20 CFR 416.920. If there is no finding of disability or lack of disability at each step, the process moves to the next step. 20 CFR 416.920 (a)(4).

The first step in the process considers a person's current work activity. 20 CFR 416.920 (a)(4)(i). A person who is earning more than a certain monthly amount is ordinarily considered to be engaging in SGA. The monthly amount depends on whether a person is statutorily blind or not. The 2012 income limit is \$1010/month.

In the present case, Claimant denied having any employment since the date of the MA application; no evidence was submitted to contradict Claimant's testimony. Without ongoing employment, it can only be concluded that Claimant is not performing SGA. It is found that Claimant is not performing SGA; accordingly, the disability analysis may proceed to step two.

The second step in the disability evaluation is to determine whether a severe medically determinable physical or mental impairment exists to meet the 12 month duration requirement. 20 CFR 416.920 (a)(4)(ii). The impairments may be combined to meet the severity requirement. If a severe impairment is not found, then a person is deemed not disabled. *Id.*

The impairments must significantly limit a person's basic work activities. 20 CFR 416.920 (a)(5)(c). "Basic work activities" refers to the abilities and aptitudes necessary to do most jobs. *Id.* Examples of basic work activities include:

- physical functions (e.g. walking, standing, sitting, lifting, pushing, pulling, reaching, carrying, or handling)
- capacities for seeing, hearing, and speaking, understanding; carrying out, and remembering simple instructions
- use of judgment
- responding appropriately to supervision, co-workers and usual work situations; and/or
- dealing with changes in a routine work setting.

Generally, federal courts have imposed a de minimus standard upon claimants to establish the existence of a severe impairment. *Grogan v. Barnhart*, 399 F.3d 1257, 1263 (10th Cir. 2005); *Hinkle v. Apfel*, 132 F.3d 1349, 1352 (10th Cir. 1997). *Higgs v Bowen*, 880 F.2d 860, 862 (6th Cir. 1988). Similarly, Social Security Ruling 85-28 has been interpreted so that a claim may be denied at step two for lack of a severe impairment only when the medical evidence establishes a slight abnormality or combination of slight abnormalities that would have no more than a minimal effect on an individual's ability to work even if the individual's age, education, or work experience were specifically considered. *Barrientos v. Secretary of Health and Human Servs.*, 820 F.2d 1, 2 (1st Cir. 1987). Social Security Ruling 85-28 has been clarified so that the step two severity requirement is intended "to do no more than screen out groundless claims." *McDonald v. Secretary of Health and Human Servs.*, 795 F.2d 1118, 1124 (1st Cir. 1986).

SSA specifically notes that age, education, and work experience are not considered at the second step of the disability analysis. 20 CFR 416.920 (5)(c). In determining whether Claimant's impairments amount to a severe impairment, all other relevant

evidence may be considered. The analysis will begin with the relevant submitted medical documentation.

A Medical- Social Questionnaire (Exhibits 28-29) dated [REDACTED] was presented. A previous hospitalization related to esophageal rupture was noted; Claimant testified that he had no ongoing problems related to the rupture.

Records (Exhibits 51-125) from a hospital stay from [REDACTED] were presented. It was noted that Claimant presented with complaints of nausea and epigastric pain. Discharge documents noted diagnoses of esophageal perforation, bilateral pneumonia with sepsis, mediastinitis with sepsis, bilateral pneumothorax, hypokalemia, alcoholic liver disease and superficial thrombophlebitis. It was noted that Claimant reported no abdomen pain upon discharge.

Hospital documents (Exhibits 138-147) dated 1/2011 were presented. An x-ray report of Claimant's lower back (Exhibit 141) noted mild degenerative changes in the sacroiliac joints. An x-ray report of Claimant's lumbar spine noted mild degenerative changes in the lower lumbar facet joints. An MRI of the lumbar spine noted no abnormalities. Hospital records (Exhibits 126-137) dated 9/20/11 were presented. It was noted that Claimant complained of abdominal pain. An x-ray report (Exhibit 131) noted mild ileus.

Hospital records (Exhibits 34-50) from an admission in 12/2011 were presented. It was noted that Claimant complained of left hand swelling. A diagnosis of acute left hand cellulitis was noted. A cigarette smoking habit of 1 ½ packs per day over 36 years was noted. A 7 beer per day habit over 29 years was also noted. Claimant was noted as positive for marijuana use. Claimant was given IV antibiotics for the cellulitis.

A consultative mental examination report (Exhibits 6-9) dated [REDACTED] was presented. It was noted that Claimant complained of depression due to losing an uncle and niece in the last four years. It was noted that Claimant was never psychologically treated. The examiner provided a diagnosis based on Diagnostic and Statistical Manual of Mental Disorders (4th edition) (DSM IV). An Axis I diagnosis of adjustment reaction with disturbance of mood, mild, was presented. Claimant's GAF was 60-65. A GAF score within the range of 61-70 is representative of a person with "Some mild symptoms OR some difficulty in social, occupational, or school functioning, but generally functioning pretty well, has some meaningful interpersonal relationships."

A consultative physical examination report (Exhibits 12-19) dated [REDACTED] was presented. It was noted that Claimant complained of neck pain, lower back pain and knee pain; range of motion was noted as decreased in each of the areas.

Claimant testified concerning his current impairments. Claimant put a lot of focus on his reading and math difficulties. It was noted in the consultative mental examination that Claimant answered a subtraction problem incorrectly. Claimant answered a single digit subtraction problem correctly; he additionally answered an addition and a multiplication problem correctly. Claimant correctly named three presidents, correctly named three

large cities and was able to repeat a six digit number correctly. There was no particular evidence suggesting cognitive difficulties relevant to a disability determination. Based on the presented evidence, Claimant is not impaired based on his cognitive functions.

Claimant also complained of anxiety difficulties. Claimant has zero history of psychological treatment. A consultative examiner noted that Claimant exhibits no symptoms that would prevent Claimant from performing work activities at a sustained pace.


Claimant also alleged impairments due to back pain. X-rays revealed only mild problems with Claimant's lumbar spine. A lumbar MRI revealed zero problems. Restricted ranges of motion were verified in multiple areas, however, this is insufficient to establish significant restrictions to performing basic work activities.

Claimant's medical history included major problems due to left hand cellulitis and esophageal rupture. Both problems appear to be resolved as Claimant noted no ongoing problems with his left hand or abdomen. The cellulitis was a significant problem but does not meet the 12 month durational requirement for a severe impairment.

Based on the presented evidence, Claimant failed to establish severe impairments to performing basic work activities. Accordingly, Claimant is not a disabled individual and it is found that DHS properly denied Claimant's application for MA benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly denied Claimant's MA benefit application dated 2/3/12 based on a determination that Claimant is not disabled. The actions taken by DHS are AFFIRMED.


Christian Gardocki
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: February 8, 2013

Date Mailed: February 8, 2013

NOTICE: Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases)

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt 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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
 - misapplication of manual policy or law in the hearing decision,
 - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
 - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at
Michigan Administrative Hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

CG/hw

cc:

