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

IN THE MATTER OF:



Reg. No.: 2013-55688

Issue No.: 2009

Case No.:

Hearing Date: October 24, 2013

County: Wayne (19)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, an in-person hearing was held on October 24, 2013, from Inkster, Michigan. Participants included the above-named Claimant. Participants on behalf of the Department of Human Services (DHS) included Medical Contact Worker.

<u>ISSUE</u>

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 13, Claimant applied for MA benefits, including retroactive MA benefits from /2012.
- 2. Claimant's only basis for MA benefits was as a disabled individual.
- 3. On 13, the Medical Review Team (MRT) determined that Claimant was not a disabled individual (see Exhibits 5-6).
- 4. On 13, DHS denied Claimant's application for MA benefits and mailed a Notice of Case Action (Exhibits 26-28) informing Claimant of the denial.

- 5. On 213, Claimant's former authorized hearing representative (AHR) requested a hearing (see Exhibit 2) disputing the denial of MA benefits.
- 6. On the 13, SHRT determined that Claimant was not a disabled individual, in part, by application of Medical-Vocational Rule 202.21.
- 7. As of the date of the administrative hearing, Claimant was a year-old male with a height of 5'8" and weight of 240 pounds.
- 8. Claimant has no known relevant history of alcohol or illegal substance abuse.
- 9. Claimant's highest education year completed was the 12th grade.
- 10. As of the date of the administrative hearing, Claimant had no medical insurance.
- 11. Claimant alleged disability based on impairments and issues including neck pain, psychological problems and leg numbness and pain.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105. Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM) and Department of Human Services Bridges Eligibility Manual (BEM) and Department of Human Services Reference Tables Manual (RFT).

Prior to a substantive analysis of Claimant's hearing request, it should be noted that Claimant's Request for Hearing was submitted by an AHR. Prior to the hearing, the AHR withdrew representation for Claimant.

It should also be noted that the request for hearing noted special arrangements in order to participate in the hearing; specifically, an in-person hearing was requested. Claimant's AHR's request was granted and the hearing was conducted accordingly.

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 (10/2010), p. 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:

- 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).
 BEM 260 (7/2012) pp. 1-2

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 (7/2012), p. 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 CRF 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 monthly income limit considered SGA for non-blind individuals is \$1,010.

Claimant denied performing 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 F2d 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.

Hospital documents (Exhibits 5-21) from an admission, dated 1 // 12, were presented. It was noted that Claimant presented following a suicide attempt from an overdose of Seroquel. A history of depression and suicide attempts was noted. It was noted that Claimant was intubated and transferred to ICU for evaluation. It was noted that Claimant was psychologically examined on // 13 and was diagnosed with mood disorder. Claimant's GAF was 20 to 30. It was noted that Claimant was discharged on // 13.

A consultative mental status evaluation report (Exhibits 29-34) dated presented. It was noted that Claimant reported depression since 2010- after the passing of his mother and a bicycle accident. It was noted that Claimant reported at least two prior suicide attempts. The examiner diagnosed Claimant with major depressive disorder, recurrent, moderate. The examiner noted that Claimant's global assessment functioning level was 50. Claimant's prognosis was guarded. It was noted that Claimant's ability to relate to others was mildly impaired. It was noted that Claimant's ability to understand and carry out tasks was mildly impaired. It was noted that Claimant's ability to maintain attention, concentration, persistence, pace and effort was moderately impaired. It was noted that Claimant's ability to withstand stress was significantly impaired.

A consultative physical evaluation report (Exhibits 35-40) dated 1/3 was presented. It was noted that x-rays taken in 1/2011 revealed post metallic fixation fusion surgery of C3-C4 and minimal spondylosis at C3-C4. The x-rays also revealed mild cervical spondylosis and mild cervical facet hypertrophy. It was noted that Claimant's medical records showed he declined medication in the past due to an inability to afford medication. It was noted that Claimant had restrictions in all tested cervical, lumbar and hip range of motions. The examiner determined that Claimant had a very abnormal gait. An assessment of cervical and lumbar radiculopathy was noted. It was also noted that Claimant seems to have high blood pressure. Claimant was found without restrictions in all listed abilities including the following: walking, standing, sitting, bending, carrying, climbing stairs and writing.

Claimant testified that he is restricted to one block of walking and one hour of standing. Claimant testified that he sometimes uses a cane, most often in the few minutes after waking.

Claimant alleged that he is disabled, in part, because of physical impairments. Claimant's only submitted evidence to support the claim was a consultative report. The

consultative examiner verified that Claimant had difficulty walking, but found no restrictions. Claimant's restricted range of motions in three core areas, by itself, is found to be sufficient to verify some degree of ambulation restrictions. More than likely, the examiner's failure to identify any ambulation restrictions was due to carelessness.

Claimant alleged that he is disabled, in part, because of psychological impairments. Two different physicians verified relatively low GAFs for Claimant. The Diagnostic and Statistical Manual of Mental Disorders (4th edition) (DSM IV) states that a GAF within the range of 41-50 is representative of a person with "serious symptoms (e.g., suicidal ideation, severe obsessional rituals, frequent shoplifting) or any serious impairment in social, occupational, or school functioning (e.g. no friends, unable to keep a job)." This is likely more representative of Claimant's day-to-day abilities than the GAF of 20-25, which was assessed shortly after a suicide attempt. The consultative examiner also found specific impairments for Claimant, including a significant impairment to withstand stress. It is found that Claimant established significant psychological impairments to performing basic work activities.

A consultative examiner noted that Claimant was in good health until a 2009 bicycle accident. Claimant testified that his neck pain has only increased since then, despite surgery. Claimant testified that his back pain remains untreated. The evidence was supportive that Claimant's impairments have lasted for longer than 12 months.

Claimant failed to present treatment records verifying a psychological problem lasting longer than 12 months. It is known that Claimant attempted suicide in 2/2012 and still had significant impairments as of 2/2013. Generally, it is the nature of serious psychological problems to not quickly resolve. Based on the nature of psychological problems and Claimant's lack of insurance, it is probable that Claimant's psychological impairment have and will last for more than 12 months.

As it was found that Claimant established significant impairment to basic work activities for a period longer than 12 months, it is found that Claimant established having a severe impairment. Accordingly, the disability analysis may move to step three.

The third step of the sequential analysis requires a determination whether the Claimant's impairment, or combination of impairments, is listed in Appendix 1 of Subpart P of 20 CFR, Part 404. 20 CFR 416.920 (a)(4)(iii). If Claimant's impairments are listed and deemed to meet the 12 month requirement, then the claimant is deemed disabled. If the impairment is unlisted, then the analysis proceeds to the next step.

Claimant's most prominent impairment appears to be depression. Depression is covered by the listing for affective disorders, which reads:

12.04 Affective disorders: Characterized by a disturbance of mood, accompanied by a full or partial manic or depressive syndrome. Mood refers to a prolonged emotion that colors the whole psychic life; 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, or when the requirements in C are satisfied.

- A. Medically documented persistence, either continuous or intermittent, of one of the following:
- 1. Depressive syndrome characterized by at least four of the following:
 - a. Anhedonia or pervasive loss of interest in almost all activities; or
 - b. Appetite disturbance with change in weight; or
 - c. Sleep disturbance; or
 - d. Psychomotor agitation or retardation; 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 syndrome characterized by at least three of the following:
 - a. Hyperactivity; or
 - b. Pressure of speech; or
 - c. Flight of ideas; or
 - d. Inflated self-esteem; or
 - e. Decreased need for sleep; or
 - f. Easy distractibility; or
 - g. Involvement in activities that have a high probability of painful consequences which are not recognized; or
 - h. Hallucinations, delusions or paranoid thinking

OR

3. Bipolar syndrome with a history of episodic periods manifested by the full symptomatic picture of both manic and depressive syndromes (and currently characterized by either or 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 decompensation, each of extended duration

OR

- C. Medically documented history 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 decompensation, each of extended duration; or

- 2. A residual disease process that has resulted in such marginal adjustment that even a minimal increase in mental demands or change in the environment 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.

Starting with Part B, the presented medical records verified only mild social impairments for Claimant and moderate concentration impairments. There was one documented episode of decompensation, but not of three lasting an extended duration. Claimant failed to meet Part B of the above listing.

Turning to Part C, a consultative examiner noted that Claimant has significant impairment in dealing with stress; the impairment is suggestive that Claimant has a residual disease process that even a minimal increase in mental demands would cause decompensation. Claimant's problem in meeting this listing requirement is the lack of treatment records; Claimant has none. Part C requires a 2 year medically documented history (Claimant has, at most, less than one year of documented history). Claimant's failure to attempt medication or treatment makes it impossible to meet Part C. It is found that Claimant does not meet the listing for affective disorders.

A listing for spinal disorders (Listing 1.04) was considered based on Claimant's neck and lower back pain complaints. This listing was rejected due to a lack of evidence and a failure to establish a spinal disorder resulting in a compromised nerve root, arachnoiditis and stenosis. The evidence also failed to establish that Claimant has an inability to ambulate effectively- an abnormal gait does not qualify.

It is found that Claimant failed to establish meeting a SSA listing. Accordingly, the analysis moves to step four.

The fourth step in analyzing a disability claim requires an assessment of the Claimant's residual functional capacity (RFC) and past relevant employment. 20 CFR 416.920(a)(4)(iv). An individual is not disabled if it is determined that a claimant can perform past relevant work. *Id*.

Past relevant work is work that has been performed within the past 15 years that was a substantial gainful activity and that lasted long enough for the individual to learn the position. 20 CFR 416.960(b)(1). Vocational factors of age, education, and work experience, and whether the past relevant employment exists in significant numbers in the national economy is not considered. 20 CFR 416.960(b)(3). RFC is assessed based on impairment(s), and any related symptoms, such as pain, which may cause physical and mental limitations that affect what can be done in a work setting. RFC is the most that can be done, despite the limitations.

Claimant testified that his work history includes lengthy employment as an auto painter. Claimant also testified that he performed employment in the distant past as a car porter and cable installer. Claimant testified that he is unable to perform the bending, crawling and lifting required of his past employment. Based on Claimant's descriptions of his past job duties and the presented medical records, Claimant's testimony was credible. It is found that Claimant cannot perform his past employment and the analysis may proceed to step five.

In the fifth step in the process, the individual's RFC in conjunction with his or her age, education, and work experience, are considered to determine whether the individual can engage in any other substantial gainful work which exists in the national economy. SSR 83-10. While a vocational expert is not required, a finding supported by substantial evidence that the individual has the vocational qualifications to perform specific jobs is needed to meet the burden. *O'Banner v Sec of Health and Human Services*, 587 F2d 321, 323 (CA 6, 1978). Medical-Vocational guidelines found at 20 CFR Subpart P, Appendix II, may be used to satisfy the burden of proving that the individual can perform specific jobs in the national economy. *Heckler v Campbell*, 461 US 458, 467 (1983); *Kirk v Secretary*, 667 F2d 524, 529 (CA 6, 1981) *cert den* 461 US 957 (1983).

To determine the physical demands (i.e. exertional requirements) of work in the national economy, jobs are classified as sedentary, light, medium, heavy, and very heavy. 20 CFR 416.967. The definitions for each are listed below.

Sedentary work involves lifting of no more than 10 pounds at a time and occasionally lifting or carrying articles like docket files, ledgers, and small tools. 20 CFR 416.967(a). 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. *Id.* Jobs are sedentary if walking and standing are required occasionally and other sedentary criteria are met.

Light work involves lifting no more than 20 pounds at a time with frequent lifting or carrying objects weighing up to 10 pounds. 20 CFR 416.967(b) Even though 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. *Id.* To be considered capable of performing a full or wide range of light work, an individual must have the ability to do substantially all of these activities. *Id.* An individual capable of light work is also capable of sedentary work, unless there are additionally limiting factors such as loss of fine dexterity or inability to sit for long periods of time. *Id.*

Medium work involves lifting no more than 50 pounds at a time with frequent lifting or carrying of objects weighing up to 25 pounds. 20 CFR 416.967(c). An individual capable of performing medium work is also capable of light and sedentary work. *Id.*

Heavy work involves lifting no more than 100 pounds at a time with frequent lifting or carrying of objects weighing up to 50 pounds. 20 CFR 416.967(d). An individual capable of heavy work is also capable of medium, light, and sedentary work. *Id.*

Finally, very heavy work involves lifting objects weighing more than 100 pounds at a time with frequent lifting or carrying objects weighing 50 pounds or more. 20 CFR 416.967(e). An individual capable of very heavy work is able to perform work under all categories. *Id*.

Limitations or restrictions which affect the ability to meet the demands of jobs other than strength demands are considered nonexertional. 20 CFR 416.969a(a). Examples of non-exertional limitations include difficulty functioning due to nervousness, anxiousness, or depression; difficulty maintaining attention or concentration; difficulty understanding or remembering detailed instructions; difficulty in seeing or hearing; difficulty tolerating some physical feature(s) of certain work settings (i.e. can't tolerate dust or fumes); or difficulty performing the manipulative or postural functions of some work such as reaching, handling, stooping, climbing, crawling, or crouching. 20 CFR 416.969a(c)(1)(i)-(vi) If the impairment(s) and related symptoms, such as pain, only affect the ability to perform the non-exertional aspects of work-related activities, the rules in Appendix 2 do not direct factual conclusions of disabled or not disabled. 20 CFR 416.969a(c)(2)

The determination of whether disability exists is based upon the principles in the appropriate sections of the regulations, giving consideration to the rules for specific case situations in Appendix 2. *Id.* In using the rules of Appendix 2, an individual's circumstances, as indicated by the findings with respect to RFC, age, education, and work experience, is compared to the pertinent rule(s).

For purposes of this decision, only an evaluation of sedentary employment will be undertaken. For sedentary employment, periods of standing or walking should generally total no more than about 2 hours of an 8-hour workday. Social Security Rule 83-10.

Claimant testified that he is restricted to 30 minutes of sitting due to back pain. Claimant did not testify how long he could sit in an 8-hour workday.

The only medical evidence addressing Claimant's sitting abilities came from a consultative examiner. The examiner found no sitting restrictions. The examiner also found no walking restrictions, which at step two, was found to be an error; however, there is insufficient evidence to presume that Claimant could not perform the standing and lifting requirements for sedentary employment. It is found that Claimant is capable of performing the exertional requirements of sedentary employment.

Claimant presented evidence of psychological restrictions including mild social impairment, moderate concentration and significant impairment to withstanding stress. These impairments are found to not restrict Claimant so significantly that he is unlikely to perform employment. One problem is that Claimant failed to verify any treatment for

the symptoms; thus, it is possible that Claimant's symptoms would dissipate with treatment. A second reason for the finding is that Claimant's symptoms did not meet the listing for affective disorders. It is presumed that sufficient employment opportunities exist, despite psychological impairments, as long as the impairments do not meet a SSA listing.

Based on Claimant's exertional work level (sedentary), age (younger individual less than 45) education (high school), employment history (unskilled), Medical-Vocational Rule 201.27 is found to apply. This rule dictates a finding that Claimant is not disabled. Accordingly, it is found that DHS properly found Claimant to be not disabled for purposes of 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 1/10/13, including retroactive MA benefits from 11/2012, 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

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Date Signed: 11/15/2013

Date Mailed: <u>11/15/2013</u>

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings Reconsideration/Rehearing Request P.O. Box 30639 Lansing, Michigan 48909-07322

CG/hw

CC: