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

#### IN THE MATTER OF:



Reg. No.: 2013-44836

Issue No.: 2009

Case No.:

Hearing Date: September 9, 2013

County: Wayne (18)

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 September 9, 2013, from Taylor, Michigan. Participants included the above-named Claimant. testified and appeared as Claimant's authorized hearing representative. Participants on behalf of the Department of Human Services (DHS) included , Lead Worker.

## **ISSUE**

The issue is whether DHS properly denied Claimant's application for Medical Assistance (MA) for the reason 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 1 1/12, Claimant applied for MA benefits (see Exhibits 4-14), including retroactive MA benefits from 1/2012 (see Exhibits 17-18).
- 2. Claimant's only basis for MA benefits was as a disabled individual.
- On 13, the Medical Review Team (MRT) determined that Claimant was not a disabled individual (see Exhibits 22-23).

- 4. On 0/13, DHS denied Claimant's application for MA benefits and mailed a Notice of Case Action informing Claimant of the denial.
- 5. On 13, Claimant's AHR requested a hearing disputing the denial of MA benefits.
- 6. On 1/13, SHRT determined that Claimant was not a disabled individual, in part, by application of Medical-Vocational Rule 201.27 (see Exhibit 165).
- 7. On 1/13, an administrative hearing was held.
- 8. Claimant presented new medical documents (Exhibits A1-A100) at the hearing.
- 9. During the hearing, Claimant's AHR waived the right to receive a timely hearing decision.
- 11. On part /13, SHRT determined that Claimant was not disabled, in part, by application of Medical-Vocational Rule 201.27.
- 12. On 1/2 /13 the Michigan Administrative Hearings System received the hearing packet and updated SHRT decision (Exhibits B1-B2).
- 13. As of the date of the administrative hearing, Claimant was a year-old female with a height of 5'9" and weight of 185 pounds.
- 14. Claimant has no known relevant history of tobacco, alcohol or illegal substance abuse.
- 15. Claimant completed the 12<sup>th</sup> grade and subsequently obtained an Associate Degree in Health Information Technology.
- 16. As of the date of the administrative hearing, Claimant had no medical insurance.
- 17. Claimant alleged disability based on impairments and issues including scoliosis and chronic back pain, marfan syndrome, vision loss and pyelonephritis.

# **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 AHR 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 (10<sup>th</sup> Cir. 2005); *Hinkle v. Apfel*, 132 F.3d 1349, 1352 (10<sup>th</sup> Cir. 1997). *Higgs v Bowen*, 880 F2d 860, 862 (6<sup>th</sup> 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 (1<sup>st</sup> 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 (1<sup>st</sup> 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 79, 81-117; A62-A100) from an admission dated were presented. A primary diagnosis of scoliosis was noted. A history of lower back pain over 10 years was noted. The hospital noted that Claimant's pain was 7/10 despite pain medication. The hospital noted that Claimant's spinal curve was increasing. The hospital noted that Claimant underwent posterior spinal fusion T10-S1 with anterior spinal fusion at L5-S1. Post-operatively, a plan was noted to work on pain control. The hospital noted that occupational and physical therapy were scheduled for Claimant. The hospital noted that Claimant continued to report back pain (7/10) despite surgery and taking "high-dose narcotics". Claimant's strength was noted as 5/5. The hospital noted that Claimant needed to wean off narcotics and stop smoking. It was noted that Claimant was referred to a pain clinic. The hospital noted that Claimant was discharged on 1/11.

Treatment documents (Exhibits A20-A22) from /2012 were presented. Claimant's physician noted that Claimant complained of chronic back pain. Claimant's physician noted that Claimant continued smoking since her back surgery. Claimant's physician noted there was diffuse tenderness to palpitation throughout the entire lumbar region. Claimant's physician noted that Claimant's continued smoking increases the risk that

her fusion will not heal. Claimant's physician noted that Claimant would be referred for pain management.

Hospital documents (Exhibits 53-78; 80; 123-148; A23-A47) dated // /12 were presented. The hospital noted that Claimant presented with a complaint of chest pain. Claimant's medical history noted four open heart surgeries and a back fusion surgery. The hospital noted that Claimant would be scheduled for cardiac testing.

Hospital documents (Exhibits 45-52; 157-164; A48-A54) dated 12 were presented. The hospital noted that Claimant presented with complaints of chest pain. The hospital noted that Claimant underwent a coronary angiography, right femoral artery access and selective coronary angiography. It was noted that Claimant likely had a false positive stress test and that the cause of Claimant's chest pain was not coronary artery stenosis

Documents (Exhibits 37-39; 149-151; A59-A61) dated [1] /12 from a medical center were presented. It was noted that Claimant presented with radiating abdomen pain, ongoing for four days. It was noted that an ultrasound was performed and that aneurysms were noted. It was noted that it needs to be determined if the aneurysms were real and/or new. A urinary tract infection was also noted. It was noted that follow-up was necessary if the infection did not resolve.

Hospital documents (Exhibits 40-44; 152-156; A6-A9; A55-A58) from an admission dated [12] / 12 were presented. It was noted that Claimant presented with complaints of back pain. Discharge diagnoses included UTI, pyelonephritis and an abdominal aortic aneurysm of the left common illac. It was noted that Claimant was discharged on / 12 and advised to follow-up in 7 days.

Documents (Exhibits A4-A5; A10-A18) from a treating physician were presented. The documents related primarily to Claimant's back pain. The documents ranged from /2012 through /2013. The documents tended to show monthly appointments with a physician. It was consistently noted that Claimant was a daily smoker. It was consistently noted that Claimant had tenderness of the back. Consistent assessments of back pain were noted. It was noted on 1/12 that the physician completed handicap sticker documents for Claimant.

A Medical Examination Report (Exhibits A1-A2) dated physician was presented. It was noted that the physician had an approximate five-year history with Claimant. The physician noted diagnoses of aortic and mitral valve prosthesis, scoliosis, post-fusion surgery, Marfan's Syndrome, depression and dislocated eye lenses. It was noted that Claimant always has pain. It was noted that Claimant's scoliosis was severe. It was noted that Claimant could frequently lift under 10 pounds, occasionally lift 10 pounds but never 20 pounds or more. It was noted that Claimant could stand or walk less less than 2 hours in an 8 hour workday. It was noted that Claimant could sit less than 6 hours in 8 hour day. It was noted that Claimant was limited in sustaining concentration. An impression was given that Claimant's condition

was stable. It was noted that Claimant needed assistance with cleaning, shopping, vacuuming and taking out garbage.

Claimant alleged disability, in part, due to vision loss. The only evidence of vision loss was one diagnosis for dislocated eye lenses. Presented documents failed to verify any vision testing or vision loss.

Claimant alleged disability, in part, based on chronic back pain. Medical records established chronic back pain for Claimant. Claimant's treating physician noted various impairments related to back restrictions including lifting, sitting and walking restrictions. The restrictions are deemed to be significant impairment to performing basic work activities.

Claimant seeks a determination of disability beginning with 2012. The presented evidence established that Claimant suffered chronic back pain since 2012 and probable work restrictions since 2012, which are expected to last 12 months or longer.

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 spinal disorders causing back pain. Spinal disorders are covered by Listing 1.04, which states that disability is established by the following:

- **1.04** *Disorders of the spine* (e.g., herniated nucleus pulposus, spinal arachnoiditis, spinal stenosis, osteoarthritis, degenerative disc disease, facet arthritis, vertebral fracture), resulting in compromise of a nerve root (including the cauda equina) or the spinal cord. With:
- A. Evidence of nerve root compression characterized by neuro-anatomic distribution of pain, limitation of motion of the spine, motor loss (atrophy with associated muscle weakness or muscle weakness) accompanied by sensory or reflex loss and, if there is involvement of the lower back, positive straight-leg raising test (sitting and supine);
  OR
- B. Spinal arachnoiditis, confirmed by an operative note or pathology report of tissue biopsy, or by appropriate medically acceptable imaging, manifested by severe burning or painful dysesthesia, resulting in the need for changes in position or posture more than once every 2 hours;

OR

C. Lumbar spinal stenosis resulting in pseudoclaudication, established by findings on appropriate medically acceptable imaging, manifested by chronic nonradicular pain and weakness, and resulting in inability to ambulate effectively, as defined in 1.00B2b.

There was no evidence of nerve root compression or lost muscle strength. A treating physician noted that Claimant displayed 5/5 strength in various tested areas (see Exhibits A20-A22). There was also no evidence of stenosis or arachnoiditis. Claimant does not meet the listing for disorders of the spine.

A listing related to aneurysms (Listing 4.10) was considered. The listing was rejected because there is no evidence that Claimant has an aneurysm uncontrolled by prescribed treatment.

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 she has only performed part-time work. None of Claimant's prior employment amounted to SGA. Without any past relevant employment amounting to SGA, it can only be found that Claimant cannot return to past relevant work amounting to SGA and the disability 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).

Given Claimant's age, education and employment history a determination of disability is dependent upon Claimant's ability to perform sedentary employment. 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's treating physician determined Claimant could frequently lift under 10 pounds, occasionally lift 10 pounds but never 20 pounds or more. The physician's restrictions would likely prevent Claimant from performing some, but not all, sedentary jobs.

The physician noted that Claimant could stand or walk less than 2 hours and sit less than 6 hours in 8 hour day. Accepting the restrictions as stated, Claimant would have to spend an unspecified period of time within an 8 hour workday without walking, sitting or standing. It is theoretically possible that some employment exists allowing such an accommodation; the reality is that most employers are not likely to offer Claimant such an accommodation.

The severity of Claimant's diagnoses is relevant to a disability determination. Claimant's scoliosis was described as "severe". Claimant's scoliosis was severe enough that multiple fusion surgeries were performed on Claimant's thoracic spine and lumbar spine. This evidence is suggestive of restrictions possibly preventing any type of employment.

A diagnosis of Marfan syndrome is also an obstacle for Claimant's employment. There was evidence that Claimant recently had an aneurysm. Claimant's medical history cited four previous open heart surgeries. Such a medical history is consistent with substantial impairments likely preventing employment.

Claimant's continued tobacco use despite numerous physician statements warning Claimant is a factor supportive of finding that Claimant is not disabled. Claimant's smoking could be construed as a failure by Claimant to follow prescribed treatment. There was evidence that Claimant's smoking contributes to her back pain and could adversely impact her back fusions. The evidence did not suggest that Claimant's tobacco use is a significant factor to causing employment impairments.

Based on the presented evidence, it is found that Claimant is a disabled individual. Accordingly, it is found that DHS erred in finding Claimant not disabled and in denying Claimant's MA benefit application.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law finds that DHS improperly denied Claimant's application for MA benefits. It is ordered that DHS perform the following actions:

- (1) reinstate Claimant's MA benefit application dated M/12, including retroactive MA benefits from 1/2012
- (2) evaluate Claimant's eligibility for MA benefits subject to the finding that Claimant is a disabled individual:
- (3) initiate a supplement for any benefits not issued as a result of the improper application denial; and
- (4) schedule a review of benefits in one year from the date of this administrative decision, if Claimant is found eligible for future MA benefits.

The actions taken by DHS are **REVERSED**.

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

Date Signed: <u>12/3/2013</u>

Date Mailed: 12/3/2013

**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

