

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201320297  
Issue No: 4031  
Case No: [REDACTED]  
Hearing Date: April 10, 2013  
Kent County DHS

**ADMINISTRATIVE LAW JUDGE:** William A. Sundquist

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was held on Wednesday; April 10, 2013. Claimant appeared and provided testimony on his behalf with [REDACTED] of Legal Aid. Participants on behalf of the Department of Human Services (Department) included AAG [REDACTED], and [REDACTED].

**ISSUE**

Was medical recovery established?

**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 May 14, 2012 Claimant had his most recent favorable medical decision.
2. On December 20, 2012 the DHS terminated the Claimant's SDA based on medical recovery per BEM 261, with a hearing request on January 2, 2013.
3. Claimant was age 35 with a high school or more education and past 15 year work experience as an unskilled waitress, adult care giver, and cashier, and semiskilled work as an instructor in a ladies fitness center.
4. Claimant alleges continued disability due to bipolar disorder, attention deficient disorder, anxiety, obsessive-compulsive disorder, and paranoia. (DHS Exhibit A, Pgs. 191 & 206)

5. Claimant's disabling symptoms are chronic anxiety being around people; anger, mood swings, frustration, lack of focus, intermittent crying, and difficulty remembering.
6. Medical reports of exams state the claimant on:
  - a. October 3, 2011: Is alert and oriented time three; that memory, concentration, general knowledge, and ability to abstract are grossly intact; that judgment is fair; that insight was somewhat limited; that she had a current GAF score of 60-65 and past year of 70. (DHS Exhibit A, Pg. 117 & 118).
  - b. November 14, 2011: Has a GAF score of 60-65 and past year of 70. (DHS Exhibit A, Pg. 43).
  - c. February 29, 2012: Has a GAF score of 45 upon admission and 58 upon discharge. (DHS Exhibit A, Pg. 85).
  - d. April 17, 2012: Was well alert, oriented, and cooperative; that mood and affect were euthenic; that she had no thought disorganization; that cognition and memory were *intact*; that insight and judgment were *intact*.
  - e. May 21, 2012: Was well alert, oriented, and cooperative; that mood and affect were euthenic; that there was no thought disorganization; that cognition and memory were intact; that insight and judgment were intact. (DHS Exhibit A, Pg. 33).
  - f. July 9, 2012: Was well alert, oriented, and cooperative; that mood and affect were euthenic; that there was no thought disorganization; that cognition and memory were intact; that insight and judgment were intact. (DHS Exhibit A, Pg. 29).
7. State Hearing Review Team decision dated February 20, 2013 states the Claimant's impairments do not meet/equal a Social Security listing for the required duration. (DHS Exhibit A, Pg. 206).

### **CONCLUSIONS OF LAW**

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department of Human Services (DHS or department) administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

Facts above are undisputed.

## DISABILITY

A person is disabled for SDA purposes if he:

- . receives other specified disability-related benefits or services, or
- . resides in a qualified Special Living Arrangement facility, or
- . is certified as unable to work due to mental or physical disability for at least 90 days from the onset of the disability.
- . is diagnosed as having Acquired Immunodeficiency Syndrome (AIDS).

If the client's circumstances change so that the basis of his/her disability is no longer valid, determine if he/she meets any of the other disability criteria. Do NOT simply initiate case closure. BEM, Item 261, p. 1.

...Ability to engage in substantial gainful activity. In most instances, we must show that you are able to engage in substantial gainful activity before your benefits are stopped. When doing this, we will consider all your current impairments not just that impairment(s) present at the time of the most recent favorable determination.... 20 CFR 416.994(b)(1)(v).

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

The steps are:

Step 1. Do you have an impairment or combination of impairments which meets or equals the severity of an impairment listed in Appendix 1 of Subpart P of Part 404 of

this chapter? If you do, your disability will be found to continue. 20 CFR 416.994(b)(5)(i).

Step 2. If you do not, has there been a medical improvement as defined in paragraph (b)(1)(i) of this section? If there has been medical improvement as shown by a decrease in medical severity, see Step 3 in paragraph (b)(5)(iii) of this section. If there has been no decrease in medical severity, there has been no medical improvement. (see Step 4 in paragraph (b)(5)(iv) of this section.) 20 CFR 416.994(b)(5)(ii).

Step 3. If there has been medical improvement, we must determine whether it is related to your ability to do work in accordance with paragraphs (b)(1)(i) through (b)(1)(iv) of this section; i.e., whether or not there has been an increase in the residual functional capacity based on the impairment(s) that was present at the time of the most recent favorable medical determination. If medical improvement is not related to your ability to do work, see Step 5 in paragraph (b)(5)(v) of this section. 20 CFR 416.994(b)(5)(iii).

Step 4. If we found in Step 2 in paragraph (b)(5)(ii) of this section that there has been no medical improvement or if we found at Step 3 in paragraph (b)(5)(iii) of this section that the medical improvement is not related to your ability to work, we consider whether any of the exceptions in paragraphs (b)(3) and (b)(4) of this section apply. If none of them apply, your disability will be found to continue. If any of the first group of exceptions to medical improvement applies, see Step 5 in paragraph (b)(5)(v) of this section. If an exception from the second group of exceptions to medical improvement applies, your disability will be found to have ended. The second group of exceptions to medical improvement may be considered at any point in this process. 20 CFR 416.994(b)(5)(iv).

Step 5. If medical improvement is shown to be related to your ability to do work or if any of the first group of exceptions to medical improvement applies, we will determine whether all your current impairments in combination are severe (see Sec. 416.921). This determination will consider all your current impairments and the impact of the combination of these impairments on your ability to function. If the residual functional capacity assessment in Step 3 in paragraph (b)(5)(iii) of this section shows significant limitation to your ability to do basic work activities, see Step 6 in paragraph (b)(5)(iv) of this section.

When the evidence shows that all your current impairments in combination do not significantly limit your physical or mental abilities to do basic work activities, these impairments will not be considered severe in nature. If so, you will no longer be considered disabled. 20 CFR 416.994(b)(5)(v).

Step 6. If your impairment(s) is severe, we will assess your current ability to engage in substantial gainful activity in accordance with 416.961. That is, we will assess your residual functional capacity based on all your current impairments and consider whether you can still do work that you have done in the past. If you can do such work, disability will be found to have ended. 20 CFR 416.994(b)(5)(vi).

Step 7. If you are not able to do work you have done in the past, we will consider one final step. Given the residual functional capacity assessment and considering your age, education, and past work experience, can you do other work? If you can, disability will be found to have ended. If you cannot, disability will be found to continue. 20 CFR 416.994(b)(5)(vii).

The above seven step sequential evaluation is used as the guide for SDA disability cases.

### **Step 1**

...If you have an impairment(s) which meets the duration requirement and is listed in Appendix 1 or is equal to a listed impairment(s), we will find you disabled without considering your age, education, and work experience. 20 CFR 416.920(d).

For each of the major body systems, the List of Impairments describes impairments which are considered severe enough to prevent a person from doing any substantial gainful activity. Most of the listed impairments are permanent or expected to result in death, or make a specific statement of duration. (20 CFR 404.1525 and 416.925).

The objective medical evidence of record does not establish a continuing disability at Step 1. Therefore the evaluation is required to continue to the next step.

### **Step 2**

...If you are entitled to disability benefits as a disabled person age 18 or over (adult) there are a number of factors we consider in deciding whether your disability continues.

We must determine if there has been any medical improvement in your impairment (s) and, if so, whether this medical improvement is related to your ability to work. If your impairment(s) has not so medically improved, we must consider whether one or more of the exceptions to medical improvement applies. If medical improvement related to your ability to work has not occurred and no exception applies, your benefits will continue. Even where medical improvement related to your ability to work has occurred or an exception applies, in most cases, we must also show that you are currently able to engage in substantial gainful activity before we can find that you are no longer disabled. 20 CFR 416.994(b).

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

The claimant's disabling symptoms (Findings of Fact #5) are inconsistent with the objective medical evidence of record (Findings of Fact #6).

Claimant had GAF scores of 60 to 65 and past year of 70 in October and November, 2011 and 45 and 58 in February, 2012. 45 is considered a serious mental impairment with occupational-functioning. 58 to 60 a moderate (not severe) mental impairment. 61 to 70 a mild (not severe) impairment. DSM-IV (4<sup>th</sup> edition-revised).

From October 2011 to February, 2012 Claimant has had a mild to moderate mental impairment on a regular and continuing basis except for one severe incident in February, 2012 on admission and a moderate impairment on discharge in the same month.

The medical evidence of record establishes the Claimant's normal mental findings have persisted on a regular and continuing basis on repeated examinations, and that therefore the disabling condition has ended.

Therefore the objective medical evidence of record shows improvement by decrease in the medical severity. Therefore, the medical evaluation is required to continue to Step 3.

### Step 3

**Basic work activities.** When we talk about basic work activities, we mean 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 improvement that is related to ability to do work.** Medical improvement is related to your ability to work if there has been a decrease in the severity, as defined in paragraph (b)(1)(i) of this section, of the impairment(s) present at the time of the most recent favorable medical decision **and** an increase in your functional capacity to do basic work activities as discussed in paragraph (b)(1)(iv) of this section. A determination that medical improvement related to your ability to do work has occurred does not, necessarily, mean that your disability will be found to have ended unless it is also shown that you are currently able to engage in substantial gainful activity as discussed in paragraph (b)(1)(v) of this section.... 20 CFR 416.994(b)(1)(iii).

Basic work activities means the abilities and aptitudes necessary to do most jobs. Included are exertional abilities such as walking, standing, pushing, pulling, reaching and carrying, and non-exertional abilities and aptitudes such as seeing, hearing, speaking, remembering, using judgment, dealing with changes and dealing with both supervisors and fellow workers.... 20 CFR 416.994(b)(1)(iv).

...If medical improvement has occurred, we will compare your current functional capacity to do basic work activities (i.e., your residual functional capacity) based on the previously existing impairments with your prior residual functional capacity in order to determine whether the medical improvement is related to your ability to do work. The most recent favorable medical decision is the latest decision involving a consideration of the medical evidence and the

issue of whether you were disabled or continued to be disabled which became final. 20 CFR 416.994(b) (1)(vi).

The objective medical evidence of record has shown there has been a decrease in the medical severity in Claimant's ability to do basic work activities as defined below. Therefore, the sequential evaluation is required to continue to Step 5.

### Step 5

The objective medical evidence of record shows the Claimant's current impairments in combination do not significantly limit her mental ability to do basic work activities, as defined above. Therefore, claimant's impairments are no longer considered severe and disabling. Therefore, the sequential evaluation is required to stop at Step 5.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the medical recovery has been established.

Accordingly, MA-P termination is **UPHELD** and so ORDERED.

/s/

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William A. Sundquist  
Administrative Law Judge  
For Maura D. Corrigan, Director  
Department of Human Services

Date Signed: April 26, 2013

Date Mailed: April 29, 2013

**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.

WAS/hj

cc:



