

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201354571  
Issue No.: [REDACTED]  
Case No.: [REDACTED]  
Hearing Date: October 23, 2013  
County: Houghton

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.9 and MCL 400.37 upon Claimant's request for a hearing. Claimant's request for a hearing was received on June 25, 2013. After due notice, a telephone hearing was held on October 23, 2013. The Claimant personally appeared and provided testimony along with his mother, [REDACTED]. The Department was represented by [REDACTED].

**ISSUE**

Did the Department of Human Services (Department) properly determine that the Claimant did not meet the disability standard for State Disability Assistance (SDA)?

**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 April 3, 2013, the Claimant submitted an application for State Disability Assistance (SDA) benefits alleging disability.
2. On May 17, 2013, the Medical Review Team (MRT) determined that the Claimant did not meet the disability standard for State Disability Assistance (SDA) because it determined that his impairments do not prevent employment for more than 90 days.
3. On May 22, 2013, the Department sent the Claimant notice that it had denied the application for assistance.
4. On June 25, 2013, the Department received the Claimant's hearing request, protesting the denial of disability benefits.

5. On August 20, 2013, the State Hearing Review Team (SHRT) upheld the Medical Review Team's (MRT) denial of State Disability Assistance (SDA) benefits.
6. The Claimant applied for federal Supplemental Security Income (SSI) benefits at the Social Security Administration (SSA).
7. The Social Security Administration (SSA) denied the Claimant's federal Supplemental Security Income (SSI) application and the Claimant reported that a SSI appeal is pending.
8. The Claimant is a 29-year-old man whose birth date is [REDACTED].
9. Claimant is 5' 10" tall and weighs 143 pounds.
10. The Claimant is a high school graduate after participating in special education.
11. The Claimant was not engaged in substantial gainful activity at any time relevant to this matter.
12. The Claimant has past relevant work experience on the night shift at a group home where he was required to clean, monitor residents, and lift objects weighing as much as 250 pounds.
13. The Claimant's past relevant work experience fits the definition of heavy and unskilled work.
14. The Claimant's disability claim is based on severe anxiety, social phobia, and a personality disorder.
15. The objective medical evidence indicates that the Claimant has been diagnosed with social phobia, generalized anxiety disorder, polysubstance dependence, dysthymic disorder, and personality disorder.
16. The objective medical evidence indicates that the Claimant has serious symptoms and serious impairments in social and occupational functioning.
17. The objective medical evidence indicates that the Claimant uses marijuana 1 – 2 times per week.
18. The objective medical evidence indicates that the Claimant was admitted for involuntary psychological treatment on [REDACTED], and was discharged on [REDACTED].

19. The objective medical evidence indicates that the Claimant has been diagnosed with anxiety, depression, upper back pain, chronic pain, and hypothyroidism.
20. The objective medical evidence indicates that the Claimant has been diagnosed with panic disorder, alcohol abuse, cannabis dependence with continuous use, and attention deficit hyperactivity disorder.
21. The objective medical evidence indicates that the Claimant had moderate restrictions of self-direction, activities of daily living, and social relationships.
22. The objective medical evidence indicates that the Claimant was involved in a single car accident, was examined but not admitted for suicidal ideations.
23. The Claimant smokes cigarettes on a daily basis and is involved in a treatment plan to quit smoking.
24. The Claimant lives alone and is capable of showering and caring for his personal needs without assistance.
25. The Claimant is a licensed driver and is capable of driving an automobile.

### **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, Rule 400.901 - 400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance has been denied. Mich Admin Code, R 400.903. 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. Department of Human Services Bridges Administrative Manual (BAM) 600 (July 1, 2013), pp 1-44.

The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

Pursuant to Federal Rule 42 CFR 435.540, the Department uses the federal Supplemental Security Income (SSI) policy in determining eligibility for disability under the Medical Assistance and State Disability Assistance (SDA) programs. Under SSI, disability is defined as:

...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.

When determining disability, the federal regulations require that several considerations be analyzed in sequential order.

### **STEP 1**

Does the client perform Substantial Gainful Activity (SGA)? If yes, the client is not disabled.

At step 1, a determination is made on whether the Claimant is engaging in substantial gainful activity (20 CFR 404.1520(b) and 416.920(b)). Substantial gainful activity (SGA) is defined as work activity that is both substantial and gainful. "Substantial work activity" is work activity that involves doing significant physical or mental activities (20 CFR 404.1572(a) and 416.972(a)). "Gainful work activity" is work that is usually done for pay or profit, whether or not a profit is realized (20 CFR 404.1572(b) and 416.972(b)). Generally, if an individual has earnings from employment or self-employment above a specific level set out in the regulations, it is presumed that he has demonstrated the ability to engage in SGA (20 CFR 404.1574, 404.1575, 416.974, and 416.975). If an individual engages in SGA, he is not disabled regardless of how severe his physical or mental impairments are and regardless of his age, education, and work experience. If the individual is not engaging in SGA, the analysis proceeds to the second step.

The Claimant is not engaged in substantial gainful activity and is not disqualified from receiving disability at Step 1.

### **STEP 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 not disabled.

At step two, a determination is made whether the Claimant has a medically determinable impairment that is "severe" or a combination of impairments that is "severe" (20 CFR 404.1520(c) and 416.920(c)). An impairment or combination of impairments is "severe" within the meaning of the regulations if it significantly limits an individual's ability to perform basic work activities. An impairment or combination of impairments is "not severe" when medical and other evidence establish only a slight abnormality or a combination of slight abnormalities that would have no more than a minimal effect on an individual's ability to work (20 CFR 404.1521 and 416.921). If the Claimant does not have a severe medically determinable impairment or combination of impairments, he is not disabled. If the Claimant has a severe impairment or combination of impairments, the analysis proceeds to the third step.

The Claimant has the burden of proof of establishing that he has a severely restrictive physical or mental impairment that has lasted or is expected to last for the duration of at least 12 months, or result in death.

The Claimant is a 29-year-old man that is 5' 10" tall and weighs 143 pounds. The Claimant alleges disability due to severe anxiety, social phobia, and a personality disorder.

The objective medical evidence indicates the following:

The Claimant has been diagnosed with social phobia, generalized anxiety disorder, polysubstance dependence, dysthymic disorder, and personality disorder. The Claimant has serious impairments in social and occupational functioning. The Claimant used marijuana 1 – 2 times per week. The Claimant was admitted for involuntary psychological treatment on January 26, 2012, and was discharged on January 30, 2012. The Claimant has been diagnosed with anxiety, depression, upper back pain, chronic pain, and hypothyroidism. The Claimant has been diagnosed with panic disorder, alcohol abuse, cannabis dependence with continuous use, and attention deficit hyperactivity disorder. The Claimant has moderate restrictions of self-direction, activities of daily living, and social relationships. The Claimant was involved in a single car accident, was examined but not admitted for suicidal ideations.

The Claimant smokes cigarettes on a daily basis and is involved in a treatment plan to quit smoking. The Claimant lives alone and is capable of showering and caring for his personal needs without assistance. The Claimant is a licensed driver and is capable of driving an automobile.

The objective medical evidence of record is not sufficient to establish that Claimant has severe impairments that have lasted or are expected to last 12 months or more and prevent employment at any job for 12 months or more. Therefore, Claimant is found not to be disability at this step. In order to conduct a thorough evaluation of Claimant's disability assertion, the analysis will continue.

### **STEP 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.

At step three, a determination is made whether the Claimant's impairment or combination of impairments is of a severity to meet or medically equal the criteria of an impairment listed in 20 CFR Part 404, Subpart P, Appendix 1 (20 CFR 404.1520(d), 404.1525, 404.1526, 416.920(d), 416.925, and 416.926). If the Claimant's impairment or combination of impairments is of a severity to meet or medically equal the criteria of a listing and meets the duration requirement (20 CFR 404.1509 and 416.909), the Claimant is disabled. If it does not, the analysis proceeds to the next step.

The Claimant's impairment failed to meet the listing for anxiety and social phobia under section 12.06 Anxiety-related disorders because the objective medical evidence does

not demonstrate that the Claimant suffers from marked restrictions of his activities of daily living or social functioning. The objective medical evidence does not demonstrate that the Claimant suffers from repeated episodes of decompensation. The objective medical evidence does not demonstrate that the Claimant is completely unable to function outside his home. The objective medical evidence indicates that the Claimant has serious symptoms and serious impairments in social and occupational functioning. The Claimant has moderate restrictions of self-direction, activities of daily living, and social relationships.

The Claimant's impairment failed to meet the listing for a personality disorder under section 12.08 Personality disorders because the objective medical evidence does not demonstrate that he suffers from marked restrictions of his activities of daily living, or social functioning. The objective medical evidence does not demonstrate that the Claimant suffers from repeated episodes of decompensation.

The term repeated episodes of decompensation, each of extended duration in these listings means three episodes within one year, or an average of once every 4 months, each lasting for at least 2 weeks.

The medical evidence of the Claimant's condition does not give rise to a finding that he would meet a statutory listing in federal code of regulations 20 CFR Part 404, Subpart P, Appendix 1.

#### **STEP 4**

Can the client do the former work that he performed within the last 15 years? If yes, the client is not disabled.

Before considering step four of the sequential evaluation process, a determination is made of the Claimant's residual functional capacity (20 CFR 404.1520(e) and 416.920(c)). An individual's residual functional capacity is his ability to do physical and mental work activities on a sustained basis despite limitations from his impairments. In making this finding, the undersigned must consider all of the Claimant's impairments, including impairments that are not severe (20 CFR 404.1520(e), 404.1545, 416.920(e), and 416.945; SSR 96-8p).

Next, a determination is made on whether the Claimant has the residual functional capacity to perform the requirements of his past relevant work (20 CFR 404.1520(f) and 416.920(f)). The term past relevant work means work performed (either as the Claimant actually performed it or as it is generally performed in the national economy) within the last 15 years or 15 years prior to the date that disability must be established. In addition, the work must have lasted long enough for the Claimant to learn to do the job and have been SGA (20 CFR 404.1560(b), 404.1565, 416.960(b), and 416.965). If the Claimant has the residual functional capacity to do his past relevant work, the Claimant is not disabled. If the Claimant is unable to do any past relevant work or does not have any past relevant work, the analysis proceeds to the fifth and last step.

After careful consideration of the entire record, this Administrative Law Judge finds that the Claimant has the residual functional capacity to perform medium work as defined in 20 CFR 404.1567 and 416.967.

The Claimant has past relevant work experience on the night shift at a group home where he was required to clean, monitor residents, and lift objects weighing as much as 250 pounds.

The Claimant's prior work fits the description of heavy work. The Claimant prior work fits the description of unskilled work.

There is no evidence upon which this Administrative Law Judge could base a finding that the Claimant is able to perform work in which he has engaged in, in the past.

### **STEP 5**

At Step 5, the burden of proof shifts to the Department to establish that the Claimant has the Residual Functional Capacity (RFC) for Substantial Gainful Activity.

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, client is not disabled.

At the last step of the sequential evaluation process (20 CFR 404.1520(g) and 416.920(g)), a determination is made whether the Claimant is able to do any other work considering his residual functional capacity, age, education, and work experience. If the Claimant is able to do other work, he is not disabled. If the Claimant is not able to do other work and meets the duration requirement, he is disabled.

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).

Medium work. Medium work involves lifting no more than 50 pounds at a time with frequent lifting or carrying of objects weighing up to 25 pounds. If someone can do medium work, we determine that he or she can also do sedentary and light work. 20 CFR 416.967(c).

Heavy work. Heavy work involves lifting no more than 100 pounds at a time with frequent lifting or carrying of objects weighing up to 50 pounds. If someone can do heavy work, we determine that he or she can also do medium, light, and sedentary work. 20 CFR 416.967(d).

The objective medical evidence indicates that the Claimant has the residual functional capacity to perform some other less strenuous tasks than in his prior employment and that he is physically able to do less strenuous tasks if demanded of him. The Claimant's testimony as to his limitations indicates that he should be able to perform medium work of simple and repetitive nature.

The Claimant was able to answer all the questions at the hearing and was responsive to the questions. The Claimant was oriented to time, person and place during the hearing.

Claimant is 29-years-old, a younger person, under age 50, with a high school education, and a history of unskilled work. Based on the objective medical evidence of record Claimant has the residual functional capacity to perform sedentary work or light work or medium work, and State Disability Assistance (SDA) is denied using Vocational Rule 20 CFR 203.28 as a guide.

The Claimant testified that he is not capable of reading or writing in English, and is not capable of basic math skills such as addition and subtraction. These limitations are not supported by objective medical evidence on the record.

However, if the Claimant were to be evaluated as a person with a limited education or less, then State Disability Assistance (SDA) would be denied using Vocational Rule 20 CFT 203.25 as a guide.

It should be noted that the Claimant continues to smoke despite the fact that his doctor has told him to quit. Claimant is not in compliance with his treatment program. If an individual fails to follow prescribed treatment which would be expected to restore their ability to engage in substantial activity without good cause there will not be a finding of disability.... 20 CFR 416.994(b)(4)(iv).

The Department's Program Eligibility Manual contains the following policy statements and instructions for caseworkers regarding the State Disability Assistance program: to receive State Disability Assistance, a person must be disabled, caring for a disabled person or age 65 or older. BEM 261. Because the Claimant does not meet the definition of disabled under the MA-P program and because the evidence of record does not establish that the Claimant is unable to work for a period exceeding 90 days, the Claimant does not meet the disability criteria for State Disability Assistance benefits either.

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 the Claimant was not eligible to receive State Disability 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 the Claimant's application for State Disability Assistance benefits. The Claimant should be able to perform a wide range of medium work despite his impairments. The Department has established its case by a preponderance of the evidence.

Accordingly, the Department's decision is **AFFIRMED**.

/s/ \_\_\_\_\_  
Kevin Scully  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 10/28/2013

Date Mailed: 10/28/2013

**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

KS/sw

cc:

