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

## IN THE MATTER OF:



Reg. No.: 2013-50000

Issue No.: 2009

Case No.:

Hearing Date: October 17, 2013

County: Wayne (35)

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 17, 2013, from Redford, 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 Medical Contact 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 13, Claimant applied for MA and State Disability Assistance (SDA) benefits, including retroactive MA benefits from 2012.
- 2. Claimant's only basis for MA benefits was as a disabled individual.

- 4. On MA June 1/13, DHS denied Claimant's application for MA benefits and mailed a Notice of Case Action (Exhibits 21-22) informing Claimant of the denial.
- 5. On 13, Claimant's AHR requested a hearing disputing the denial of MA benefits (see Exhibit 2).
- 6. On 13, SHRT determined that Claimant was not a disabled individual, in part, by application of Medical-Vocational Rule 203.21.
- 7. On 1 /13, an administrative hearing was held.
- 8. As of the date of hearing, DHS has not determined Claimant's SDA eligibility.
- 9. Claimant presented new medical documents (Exhibits A1-A261) at the hearing.
- 10. During the hearing, Claimant waived the right to receive a timely hearing decision.
- 11. During the hearing, Claimant and DHS waived any objections to allow the admission of additional medical documents considered and forwarded by SHRT, including the yet to be written SHRT decision.
- 12. On /13, an updated hearing packet was forwarded to SHRT.
- 13. On application of Medical-Vocational Rule 202.13.
- 14. On 2017/13 the Michigan Administrative Hearings System received the hearing packet and updated SHRT decision.
- 15. As of the date of the administrative hearing, Claimant was a 54-year-old female with a height of 5'6" and weight of 121 pounds.
- 16. Claimant has no known relevant history of alcohol or illegal substance abuse.
- 17. Claimant's highest education year completed was the 12<sup>th</sup> grade.
- 18. As of the date of the administrative hearing, Claimant was an ongoing Adult Medical Program recipient.
- 19. Claimant alleged disability based on impairments and issues including depression, anxiety, left arm pain and left wrist 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).

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.

A radiology report (Exhibits A208-A210) of Claimant's lumbar dated presented. An impression of L4-L5 disc protrusion and nerve root effacement was noted. Disc protrusion and facet arthropathy and moderate central canal stenosis was noted at L3-L4.

Various treatment documents (Exhibits A47-A189) were presented. It was noted that Claimant hurt her leg on the leg of the

Hospital documents (Exhibits A10-A12; A21; A27-A28; A201-A206; A213-A245) from an encounter dated //13 were presented. The hospital noted that Claimant presented with left elbow and left wrist pain after slipping and falling onto concrete steps. An impression of a left closed distal humerus fracture was noted. An impression of distal radius fracture with displacement was also noted. A plan was noted that Claimant will undergo closed reduction of the left wrist and elbow.

Hospital documents (Exhibits 18-20; A22-A24; A42-A43; A197-A200) dated were presented. The hospital noted that Claimant underwent an open reduction of the distal humerus fracture and a close reduction of the distal radius fracture.

A Medical Examination Report (Exhibits 5-6; A14-A16) dated was noted that the physician completing the form had an approximate three week history with Claimant. The physician noted diagnoses of distal humerus and distal radius. The physician noted that Claimant took Norco. The physician noted that Claimant's condition was improving. The physician noted that Claimant needed help with heavy chores. On [13], the physician added that Claimant needed help with cooking, cleaning, laundry, bathing and shopping (Exhibits 17-19). Claimant's physician noted that she could not work for three months.

Orthopedic physician documents (Exhibits A3-A8) dated from 1/13 through 1/13 were presented. On 3/1/13, it was noted that Claimant was informed that she could not receive multiple narcotic prescriptions from multiple doctors. On 1/1/13, it was noted that x-rays demonstrate satisfactory alignment of the humerus and wrist fractures.

A physician letter (Exhibit 46) dated // 13 was presented. The physician noted that Claimant needs to increase range of motion as soon as possible.

Hospital rehabilitation center documents (Exhibits A36-A41) dated presented. Therapy diagnosis of pain and decreased strength in Claimant's upper left extremity was noted. Occupational therapy of 1-3 times per week was recommended.

Examination documents (Exhibits 24-26) dated (13 were presented. The documents were completed by an examining psychologist. The psychologist noted that Claimant was not receiving ongoing mental health treatment. It was noted that Claimant had not been previously hospitalized for psychiatric reasons. The examining psychologist noted that Claimant cried throughout the interview. The examining psychologist noted that Claimant was friendly, responsive, and cooperative. It was noted that Claimant exhibited slow motor activity and low self-esteem. It was noted that Claimant reported losing 30 pounds in four months. The examining psychologist diagnosed Claimant with major depressive disorder (recurrent), anxiety disorder and cognitive disorder. A GAF of 50 was noted. The examiner noted that Claimant's ability to understand, retain, follow simple instructions, and perform basic tasks was mildly impaired. The examiner noted that Claimant's ability to interact with others was mildly impaired.

Orthopedic documents (Exhibits A253-A255) from 2/2013 and 2/2013 were presented. The documents noted general successful realignment of Claimant's left humerus and wrist though some prominence of wires was noted. Surgically cutting the wires was noted as a consideration.

Various psychological treatment documents (Exhibits A247-A252; A256-A261) were presented. The documents from /2013 through /2013 noted treatment for anxiety and depression. On /13, it was noted that Claimant took Lexapro and Xanax. It was noted that Claimant reported difficulty making decisions for herself and felt helpless.

Claimant testified that she is restricted to sitting to 15-20 minute periods due to back and leg pain. Claimant testified that her left arm is virtually useless after she broke it in 2013.

Claimant alleged physical restrictions related to back pain. Radiology verified diagnoses of bulging discs causing nerve root compression and moderate stenosis. The diagnoses, by themselves, are sufficient to presume lifting and standing restrictions. It is found that Claimant has significant impairment to performing basic work activities.

Claimant seeks a disability finding from 2/2012. Presented documentation tended to verify that Claimant's back pain started in 2/2012 and continued consistently through the date of hearing. It is found that Claimant meets the durational requirements for step two of the analysis.

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.

A listing for spinal disorders (listing 1.04) was considered based on Claimant's complaint of back pain. The listing was rejected due to a failure to establish motor loss accompanied by sensory or reflex loss for a period of 12 months or longer. Claimant also failed to establish an inability to ambulate effectively or a diagnosis of arachnoiditis.

A listing for upper extremity fracture (Listing 1.07) was considered. The listing was rejected because presented documents tended to establish that Claimant's humerus and radius fractures sufficiently healed within 12 months.

Listings for depression (Listing 12.04) and anxiety (Listing 12.06) were considered. The listings were summarily rejected due to a failure to present sufficient treatment

documents, previous psychological hospitalization or marked restrictions to performing any of the following: daily activities, social interactions or concentration.

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 her history includes employment as a nursing assistant, laborer, and banquet server. Claimant testified that each of her former jobs required substantial ambulation and lifting which she can no longer perform. Claimant's testimony was consistent with the medical evidence. It is found that Claimant cannot perform past relevant 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 handling. climbina. reaching. stooping. crawling. or crouching. 20 416.969a(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 on Claimant's ability to perform light employment. Social Security Rule 83-10 states that the full range of light work requires standing or walking, off and on, for a total of approximately 6 hours of an 8-hour workday.

Claimant alleged disability, in part, due to fractures in her left arm and wrist. The evidence consistently established some difficulties for Claimant, but not substantial long-term difficulties. For examples, Claimant's physician noted Claimant could not work, but only for a three-month period (see Exhibit 6). Documents from 7/2013 and 8/2013 tended to verify a fairly complete recovery for Claimant though some pain could be presumed based on continuing Claimant's prescription for Vicodin.

Claimant alleged restricted lifting and standing due to back pain complaints. It was concerning that back pain treatment documents for 2013 were not over-abundant, however, it is somewhat understandable given that Claimant spent most of 2013 dealing with a broken arm and wrist. It was noted in 2012 that Claimant required epidural injections and Claimant was restricted to performing part-time employment and only light employment duties. Claimant's back pain, particularly when combined with ongoing arm discomfort and some degree of psychological restrictions makes it improbable that Claimant can perform light employment.

Based on Claimant's exertional work level (sedentary), age (approaching advanced age), education (high school- no direct entry into skilled employment) and employment history (unskilled), Medical-Vocational Rule 201.12 is found to apply. This rule dictates a finding that Claimant is disabled. Accordingly, it is found that DHS improperly found Claimant to be not disabled for purposes of MA benefits.

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

SDA provides financial assistance to disabled adults who are not eligible for Family Independence Program (FIP) benefits. BEM 100 at 4. The goal of the SDA program is to provide financial assistance to meet a disabled person's basic personal and shelter needs. *Id.* To receive SDA, a person must be disabled, caring for a disabled person, or age 65 or older. BEM 261 at 1.

A person is disabled for SDA purposes if the claimant (see BEM 261 at 1):

- receives other specified disability-related benefits or services, see Other Benefits or Services below, 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; or
- is diagnosed as having Acquired Immunodeficiency Syndrome (AIDS).

It has already been found that Claimant is disabled for purposes of MA benefits based on a finding that Claimant's impairments meet the requirements for weight loss due to a digestive order. The analysis and finding applies equally for Claimant's SDA benefit application. It is found that Claimant is a disabled individual for purposes of SDA eligibility. Though DHS has not yet determined disability for purposes of SDA eligibility, there is no reason to await a DHS disability determination when it is established by administrative decision that Claimant is disabled.

# **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:

- (1) reinstate Claimant's MA benefit application dated /12, including retroactive MA benefits from /2012;
- (2) evaluate Claimant's eligibility for MA and SDA 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 or SDA benefits.

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

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

Date Signed: 1/8/2014

Date Mailed: 1/8/2014

**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

