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

### IN THE MATTER OF:



Reg. No.: 2013-46174

Issue No.: 2009

Case No.:

Hearing Date: September 18, 2013

County: Monroe

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 18, 2013, from Monroe, Michigan. Participants included the above-named Claimant.

The provided Hearing representative and behalf of the Department of Human Services (DHS) included Representative. Specialist.

### 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 \_\_\_\_\_/12, Claimant applied for MA benefits, including retroactive MA benefits from 7/2012.
- Claimant's only basis for MA benefits was as a disabled individual.
- 3. On 1/13, the Medical Review Team (MRT) determined that Claimant was not a disabled individual (see Exhibits 6-7).

- 4. On 1/13, DHS denied Claimant's application for MA benefits and mailed a Notice of Case Action informing Claimant of the denial.
- 5. On 1/13, Claimant's AHR requested a hearing disputing the denial of MA benefits.
- 6. On 13, SHRT determined that Claimant was not a disabled individual, in part, by application of Medical-Vocational Rule 204.00
- 7. On //13, an administrative hearing was held.
- 8. During the hearing, Claimant waived the right to receive a timely hearing decision.
- 9. On 13, an Interim Order Extending the Record was mailed to Claimant to allow 60 days from the date of hearing to submit the following:
  - a. psychological treatment records
  - b. hospitalization records from the prior three months; and
  - c. Vision treatment document.
- 10. On //13, Claimant presented new medical documents (Exhibits A1-A70).
- 11. On /13, an updated hearing packet was forwarded to SHRT.
- 12. On All 13, an Interim Order Extending the Record for Review by State Hearing Review Team was issued.
- 13. On \_\_\_\_\_\_/13, SHRT determined that Claimant was not disabled, in part, by application of Medical-Vocational Rule 202.13.
- 14. On 14, 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 46-year-old female with a height of 5'4" and weight of 135 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 (via general equivalency degree).
- 18. As of the date of the administrative hearing, Claimant was an Adult Medical Program recipient since approximately 4/2013.
- 19. Claimant alleged disability based on impairments and issues including leg stiffness, lower back pain (LBP), audio hallucinations and seizures.

# **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 Medical Examination Report (Exhibits 151-152) dated \_\_\_\_\_\_\_/08 was presented. The report was completed by a treating physician with an approximate two and a half year history with Claimant. It was noted that Claimant had left knee pain restricting her from lifting 10 pounds or more. The physician also noted that Claimant requires use of a cane and, that Claimant is unable to stand or walk more than 6 hours within an 8-hour workday.

Various hearing-related documents (Exhibits 142-150; 153-162) from 2012 and prior were presented. A Hearing Decision (Exhibits 132-141) dated //12 from a hearing date of //11 was presented. The decision was from a State of Michigan administrative judge that affirmed a denial of Medicaid based on disability.

Hospital documents (Exhibits 58-79; 98-120) from an admission dated presented. It was noted that Claimant presented with complaints of vomiting and shortness of breath. A CT of Claimant's chest was noted no evidence of a pulmonary embolus; no acute process was also noted.

Hospital documents (Exhibits 80-90; 121-131) from an admission dated presented. It was noted that Claimant presented with complaints of chest pain and stomach pain. It was noted that views of Claimant's chest revealed no acute cardiopulmonary process.

A Clinical Certificate (Exhibits 23) was presented. The certificate was noted as completed by an examiner following a five-minute exam on noted that it was determined that Claimant had a mental illness and other drug dependence.

A Petition/Application for Hospitalization (Exhibit 24) was presented. The petition/application was undated and noted to be have been completed by a registered nurse. The nurse noted that Claimant was admitted on was acting manic. It was noted that Claimant had not slept for 36 hours and was talking to imaginary persons.

Hospital documents (Exhibits 9-22; 25-47) from an admission dated presented. It was noted that Claimant presented with complaints of insomnia and hallucinations. It was noted that Claimant had a urinary tract infection, which was treated with antibiotics. A history of anxiety and depression was noted. An impression of suffering from multiple drug ingestion was noted. It was noted that Claimant reported panic attacks during sleep, which caused insomnia. It was noted that Claimant has a history of Xanax abuse. It was also noted that hallucinations may be attributable to benzodiazepine withdrawal. It was noted that a CT of Claimant's brain was normal.

Hospital documents (Exhibits 163-167) from an encounter dated presented. It was noted that Claimant presented with complaints of a migraine headache.

Hospital documents (Exhibits 168-193) from an admission dated 1/13 were presented. It was noted that Claimant presented with complaints of shortness of breath and a productive cough, ongoing for several days. It was noted that views of Claimant's chest were taken. An impression of bilateral lower lobe pneumonia was noted.

Hospital documents (Exhibits A46-A70) from an encounter dated presented. It was noted that Claimant presented with complaints of a migraine headache, nosebleed and chest pain. It was noted that labs were taken but no plan or course by the hospital appeared to be noted. It was noted that Claimant was discharged on 13.

Various psychological treatment documents (Exhibits A1-A45) from 2013 were presented. The documents came from Claimant's community mental health provider. It was noted that Claimant presented on an unspecified date following a psychological hospitalization from 12/2012. It was noted that Claimant reported the following symptoms: persistent depressed mood, decreased appetite, difficulty focusing and concentrating, irritability and agitation, racing thoughts, low energy level, fatigue,

anhedonia, and feelings of helplessness. Diagnoses noted to be active as of included the following: bipolar disorder, anxiety disorder, alcohol dependence, opioid abuse and personality disorder; the diagnoses may have been made by a psychiatrist though this was not noted. It was noted that Claimant was not taking any medication before making contact with the mental health agency. On [13], it was noted that Claimant denied having hallucinations after the hospitalization, though it was noted on [13] that she sometimes sees her grandson who was taken away from her daughter due to her daughter's heroin addiction. On [14], Claimant's GAF was noted to be 60. On [14], it was noted that Claimant took Depakote, Dilantin, Seroquel and remeron.

The presented medical records established that Claimant has left knee problems. Back pain was also referenced as a complaint. The presented medical records did not include any treatment within the last five years though some degree of impairment can be presumed merely based on the diagnoses and Claimant's testimony. It is reasonable to presume that Claimant has some degree of ambulation and lifting restrictions.

The presented records established that Claimant has psychological problems. Claimant was hospitalized once, although it appears that some type of drug abuse and/or withdrawal was a significant factor in Claimant's behavior that led to the hospitalization. Subsequent treatment records verified a need for psychological treatment and various symptoms that would impact Claimant's ability to focus and concentrate.

Claimant seeks a finding of disability from 7/2012. Presented medical records were consistent that Claimant's impairments existed as of 7/2012 and would continue for the following 12 months.

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

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

A listing for bipolar disorder (Listing 12.04) was considered. It was established that Claimant's GAF was 60 as o /13. The GAF appears to be a fair reflection of Claimant's ongoing abilities. A GAF within the range of 51-60 is representative of someone with moderate symptoms or any moderate difficulty in social, occupational, or school functioning. Presumably, Claimant's moderate symptoms are relatively mild because Claimant's GAF falls at the high-functioning end of a range for those with moderate symptoms. This listing was rejected due to a failure to establish marked restrictions in social functioning, completion of daily activities or concentration. It was also not established that Claimant required a highly supportive living arrangement,

suffered repeated episodes of decompensation or that the residual disease process resulted in a marginal adjustment so that even a slight increase in mental demands would cause decompensation.

A listing for spinal disorders (Listing 1.04) was considered based on Claimant's LBP complaints. The medical records were devoid of back pain causes. For example, there were no records verifying x-rays or an MRI of Claimant's back. This listing was rejected due to a lack of evidence and a failure to establish a spinal disorder resulting in a compromised nerve root.

A listing for joint dysfunction (Listing 1.02) was considered based on Claimant's complaints of knee pain. The listing was rejected due to a failure to verify any treatment or restrictions within the prior five years.

Listings for seizures (Listings 11.02 and 11.03) were considered based on Claimant's complaints of seizures. The listings were rejected due to a failure to verify any significant treatment for seizures or a pattern of seizures.

A listing for visual acuity (Listing 2.02) was considered based on Claimant's complaints of loss of vision. The listing was summarily rejected due to any medical evidence.

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)(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 performed past full-time employment working as a security guard; Claimant testified that her security guard employment required walking which she can no longer perform. Claimant also testified that she performed past employment working for a dry cleaning business; Claimant testified that she can no longer perform the bending and lifting required of her past dry cleaning employment. Claimant's testimony that she could not perform her past employment was not overwhelmingly consistent with the presented evidence. As noted in step two, some degree of ambulation and lifting restriction can be presumed. For purposes of this decision, it will

be presumed that Claimant cannot perform the physical requirements of her past employment and the analysis may proceed to step five.

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

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

Sedentary work involves lifting of no more than 10 pounds at a time and occasionally lifting or carrying articles like docket files, ledgers, and small tools. 20 CFR 416.967(a). Although a sedentary job is defined as one which involves sitting, a certain amount of walking and standing is often necessary in carrying out job duties. *Id.* Jobs are sedentary if walking and standing are required occasionally and other sedentary criteria are met.

Light work involves lifting no more than 20 pounds at a time with frequent lifting or carrying objects weighing up to 10 pounds. 20 CFR 416.967(b) Even though weight lifted may be very little, a job is in this category when it requires a good deal of walking or standing, or when it involves sitting most of the time with some pushing and pulling of arm or leg controls. *Id.* To be considered capable of performing a full or wide range of light work, an individual must have the ability to do substantially all of these activities. *Id.* An individual capable of light work is also capable of sedentary work, unless there are additionally limiting factors such as loss of fine dexterity or inability to sit for long periods of time. *Id.* 

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

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

Finally, very heavy work involves lifting objects weighing more than 100 pounds at a time with frequent lifting or carrying objects weighing 50 pounds or more. 20 CFR

416.967(e). An individual capable of very heavy work is able to perform work under all categories. *Id*.

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

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

Given Claimant's age, education and employment history a determination of disability is dependent on 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.

The presented medical records failed to verify that Claimant has an exertional restriction that would prevent Claimant from performing sedentary employment. Though prior steps in the analysis recognized that Claimant's knee problems and back pain would affect Claimant's ability to ambulate, the evidence did not verify an inability to stand and/or walk 2 hours of an 8-hour day. Claimant testified that she mows lawns to make some extra money; such work is not full-time, but it is consistent with an ability to perform sedentary employment. It is found that Claimant can perform the exertional requirements of sedentary employment.

Non-exertional problems were verified. Though Claimant testified that she had audio hallucinations, they do not appear to significantly affect Claimant's functioning level; if they did, a GAF much lower than 60 would be expected. Claimant alleged many psychological symptoms but again, a GAF of 60 is not consistent with impairments that would prevent Claimant from performing relatively simple and repetitive tasks.

Migraine headaches and seizures are obstacles to performing employment. Hospital documents verified that Claimant went to the hospital two times within a few months to complain about migraine headaches; neither encounter resulted in hospitalization Even

less evidence was presented concerning seizures. The documentation was too underwhelming to be significantly restrict Claimant's potential for employment.

Claimant's hospitalization from 12/2012 is evidence of serious psychological symptoms. The evidence was suggestive that the evidence was an isolated incident related to drug use and/or withdrawal and not representative of Claimant's functioning level. It is found that Claimant is capable of performing sedentary employment.

Based on Claimant's exertional work level (sedentary), age (younger individual aged 45-49), education (high school), employment history (unskilled), Medical-Vocational Rule 201.18 is found to apply. This rule dictates a finding that Claimant is not disabled. Accordingly, it is found that DHS properly found Claimant to be not disabled for purposes of MA benefits.

# **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly denied Claimant's MA benefit application dated /12, including retroactive MA benefits from 7/2012, based on a determination that Claimant is not disabled. The actions taken by DHS are **AFFIRMED**.

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

Date Signed: <u>2/3/2014</u>

Date Mailed: 2/3/2014

**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

