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

IN THE MATTER OF:

Reg. No.: 2013-57669

Issue No.: 2009 Case No.:

Hearing Date: January 6, 2014

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 January 6, 2014, from Monroe, Michigan. Participants included the above-named Claimant.

behalf of the Department of Human Services (DHS) included ■

Participants on

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 2/7/13, Claimant applied for MA benefits, including retroactive MA benefits from 1/2013.
- 2. Claimant's only basis for MA benefits was as a disabled individual.
- 3. On 6/10/13, the Medical Review Team (MRT) determined that Claimant was not a disabled individual (see Exhibits 23-24).

- 4. On 6/13/13, DHS denied Claimant's application for MA benefits and mailed a Notice of Case Action informing Claimant of the denial.
- 5. On 6/27/13, Claimant's AHR requested a hearing disputing the denial of MA benefits.
- 6. On 9/6/13, SHRT determined that Claimant was not a disabled individual, in part, by application of Medical-Vocational Rule 202.20.
- 7. On 1/6/14, an administrative hearing was held.
- 8. Claimant presented new medical documents (Exhibits A1-A39) at the hearing.
- During the hearing, Claimant waived the right to receive a timely hearing decision.
- 10. During the hearing, Claimant and DHS waived any objections to allow the admission of any additional medical documents considered and forwarded by SHRT.
- 11. During the hearing, the record was extended 30 days and an Interim Order Extending the Record was subsequently mailed to allow Claimant to submit pain management treatment documents.
- 12. On 2/4/14, Claimant submitted additional documents (Exhibits B1-B6).
- 13. On 2/6/14, an updated hearing packet was forwarded to SHRT and an Interim Order Extending the Record for Review by State Hearing Review Team was subsequently issued which extended the record 90 days from the date of hearing.
- 14. On 3/24/14, SHRT determined that Claimant was not disabled, in part, by reliance on a Disability Determination Explanation (Exhibits 2-1 2-10).
- 15. On 3/27/14, the Michigan Administrative Hearings System received the hearing packet and updated SHRT decision.
- 16. As of the date of the administrative hearing, Claimant was a 48-year-old male with a height of 5'10" and weight of 185 pounds.
- 17. Claimant has no known relevant history of alcohol or illegal substance abuse.
- 18. Claimant's highest education year completed was the 12th grade.
- 19. As of the date of the administrative hearing, Claimant received Health Plan benefits, ongoing for approximately one year.

20. Claimant alleged disability based on impairments and issues including lower back pain, chronic diverticulitis and cardiac impairments.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105. Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM) and Department of Human Services Bridges Eligibility Manual (BEM) and Department of Human Services Reference Tables Manual (RFT).

Prior to a substantive analysis of Claimant's hearing request, it should be noted that Claimant's AHR noted special arrangements in order to participate in the hearing; specifically, an in-person hearing was requested. Claimant's AHR's request was granted and the hearing was conducted accordingly.

The Medicaid program is comprised of several sub-programs which fall under one of two categories; one category is FIP-related and the second category is SSI-related. BEM 105 (10/2010), p. 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. *Id.* AMP is an MA program available to persons not eligible for Medicaid through the SSI-related or FIP-related categories though DHS does always offer the program to applicants. It was not disputed that Claimant's only potential category for Medicaid eligibility would be as a disabled individual.

Disability for purposes of MA benefits is established if one of the following circumstances applies:

- by death (for the month of death);
- the applicant receives Supplemental Security Income (SSI) benefits;
- SSI benefits were recently terminated due to financial factors;
- the applicant receives Retirement Survivors and Disability Insurance (RSDI) on the basis of being disabled; or
- RSDI eligibility is established following denial of the MA benefit application (under certain circumstances).
 BEM 260 (7/2012) pp. 1-2

There was no evidence that any of the above circumstances apply to Claimant. Accordingly, Claimant may not be considered for Medicaid eligibility without undergoing a medical review process which determines whether Claimant is a disabled individual. *Id.* at 2.

Generally, state agencies such as DHS must use the same definition of SSI disability as found in the federal regulations. 42 CFR 435.540(a). Disability is federally defined as the inability to do any substantial gainful activity (SGA) by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. 20 CFR 416.905. A functionally identical definition of disability is found under DHS regulations. BEM 260 (7/2012), p. 8.

Substantial gainful activity means a person does the following:

- Performs significant duties, and
- Does them for a reasonable length of time, and
- Does a job normally done for pay or profit. Id. at 9.

Significant duties are duties used to do a job or run a business. *Id.* They must also have a degree of economic value. *Id.* The ability to run a household or take care of oneself does not, on its own, constitute substantial gainful activity. *Id.*

The person claiming a physical or mental disability has the burden to establish a disability through the use of competent medical evidence from qualified medical sources such as his or her medical history, clinical/laboratory findings, diagnosis/prescribed treatment, prognosis for recovery and/or medical assessment of ability to do work-related activities or ability to reason and make appropriate mental adjustments, if a mental disability is alleged. 20 CRF 413.913. An individual's subjective pain complaints are not, in and of themselves, sufficient to establish disability. 20 CFR 416.908; 20 CFR 416.929(a).

Federal regulations describe a sequential five step process that is to be followed in determining whether a person is disabled. 20 CFR 416.920. If there is no finding of disability or lack of disability at each step, the process moves to the next step. 20 CFR 416.920 (a)(4).

The first step in the process considers a person's current work activity. 20 CFR 416.920 (a)(4)(i). A person who is earning more than a certain monthly amount is ordinarily considered to be engaging in SGA. The monthly amount depends on whether a person is statutorily blind or not. The 2013 monthly income limit considered SGA for non-blind individuals is \$1,040.

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.

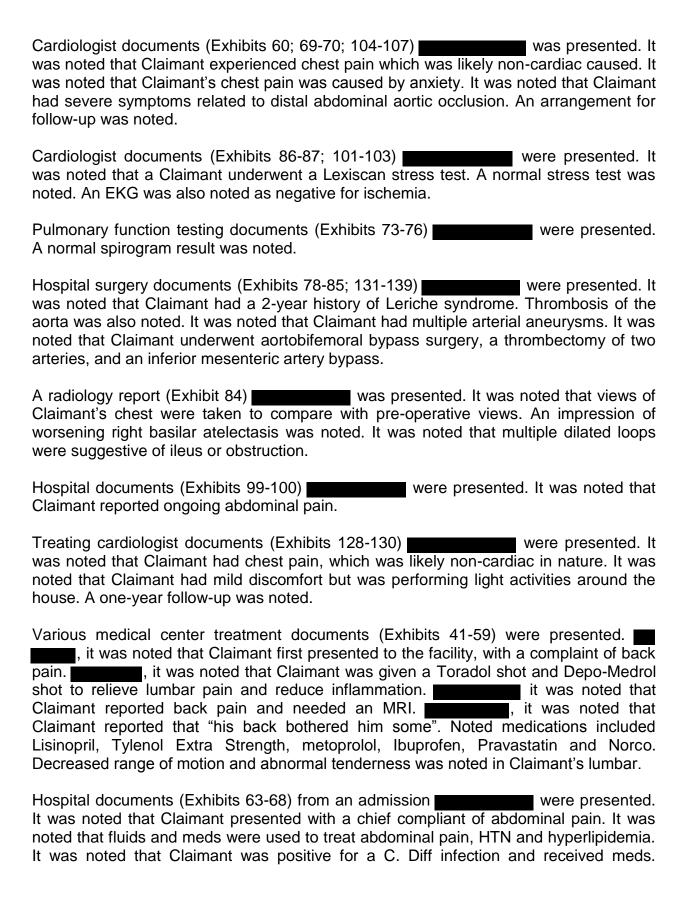
Generally, federal courts have imposed a de minimus standard upon claimants to establish the existence of a severe impairment. *Grogan v. Barnhart*, 399 F.3d 1257, 1263 (10th Cir. 2005); *Hinkle v. Apfel*, 132 F.3d 1349, 1352 (10th Cir. 1997). *Higgs v Bowen*, 880 F2d 860, 862 (6th Cir. 1988). Similarly, 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 (1st 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 (1st 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.

Radiology reports (Exhibits 164-166) were presented. An impression of moderate to severe bilateral lower extremity arterial disease was noted.

Hospital documents (Exhibits 110-117; 145-147; 163) were presented. It was noted that Claimant presented with a complaint of left-sided chest pain. A medical history of HTN and severe claudication was noted. A conclusion of non-cardiac caused chest pain was noted.

A radiology report (Exhibits 88-89; 108-109) was presented. It was noted that multiple angiographies of Claimant's abdomen were taken. An impression of Leriche type thrombosis and occlusion of multiple arteries was noted.



Radiology reports (Exhibits 158-162) noted an impression of a worsening appearance of Claimant's bowels. It was noted that Claimant was discharged after abdominal pain improved. A radiology report (Exhibit 153) was presented. It was noted that a CT of Claimant's abdomen might demonstrate small intestines inflammation. Medical center documents (Exhibits 142-144; 150-152) from an admission | were presented. It was noted that Claimant presented with a complaint of abdominal pain. It was noted that Claimant was treated with antibiotics and his condition improved. A CT report of Claimant's abdomen (Exhibit 152) noted an impression of acute diverticulitis; follow-up was recommended. A final diagnosis of recurrent diverticulitis was noted. A discharge date was noted. Cardiologist documents (Exhibits 123-126) were presented. It was noted that Claimant presented for routine cardiac follow-up evaluation. It was noted that Claimant reported upper extremity weakness. It was noted that Claimant was scheduled for an appointment with a physician concerning surgery related to a recent diverticulitis diagnosis. Cardiology documents (Exhibits 119-122) were presented. It was noted that Claimant underwent a Lexiscan stress test and EKG. A normal stress test was noted. It was noted that an EKG showed no change compared to a 2011 test. Various cardiovascular surgery physician documents (Exhibits 90-95) were presented. It was noted that Claimant continue with a walking program and remain on cholesterol reducing and hyper-intensive medications. A 6 month follow-up was noted. A new history of diverticulitis was noted. Medical center documents (Exhibits 140-141; 148-149; 148-149; 182-197) from an were presented. It was noted that Claimant presented with a complaint of rectal bleeding and abdominal pain. An impression of acute abdominal pain with leukocytosis was noted. Two bouts of documented diverticulitis were noted. Recommendation of a bland, low roughage, and low-fat diet was noted. It was also recommended that Claimant follow-up with a colonoscopy. Medications were noted as prescribed. A discharge date was noted.

A Medical Examination Report (Exhibits 25-28) was presented. The report was noted to be completed by a physician with approximate 6-month history of treating Claimant. It was noted that Claimant underwent "a major abdominal surgery" to repair an aortic aneurysm. It was noted that Claimant suffers recurrent bowel infections, possibly due to the aneurysm surgery. A diagnosis of DJD causing back pain was also noted. No lifting, sitting or standing restrictions were noted due to a lack of surgical documentation. It was noted that Claimant could meet household needs. A clinic impression noted that Claimant's condition was stable.

Hospital document (Exhibits A3-A17) dated from an admission were presented. It was noted that Claimant presented with upper chest discomfort. It was noted that Claimant underwent a left heart catheterization and bilateral coronary angiogram and angiocardiogram. An impression of atherosclerotic heart disease and significant stenosis in 2 heart vessels was noted following a lumbar CT.

Various treating physician documents, lab results and radiology reports (Exhibits A18-A39) were presented. The documents range in date Multiple Claimant complaints of lumbar pain were noted. A CT of Claimant's lumbar spine noted minimal osteoarthritic changes and tiny osteophytes at L5-S1, which slightly indented the nerve ganglion on the left side.

A Medical Examination Report (Exhibits A1-A2) from Claimant's treating physician was presented. The physician noted an approximate 11-month history of treating Claimant. Claimant's physician provided diagnoses of degenerative joint disease (DJD) of the lumbar, prosthetic abdominal aorta, coronary artery disease (CAD). An impression was given that Claimant's condition was stable. Claimant's physician noted that Claimant could occasionally lift 10 pounds but never more. Standing, sitting and repetitive extremity action restrictions were noted as uncertain. It was noted that Claimant can meet household needs.

A pain management physician letter (Exhibits B1-B3) was presented. It was noted that Claimant complained of increasing back pain. Pain was reported as radiating and worse following exertion. Impressions of lumbar DDD, spondylosis, and radiculitis were noted.

Hospital documents (Exhibits B5-B6) were presented. It was noted that Claimant underwent a L5-S1 epidural injection.

Claimant seeks a finding of disability beginning In the prior two years, Claimant underwent repeated treatment, hospitalization and surgery related to cardiac and abdominal pain. Beginning Claimant's health improved, but was far from ideal. Treatment for cardiac disease, diverticulitis and lumbar pack pain were all documented within 2013 dated records. Claimant's ambulation and ability to lift and carry would reasonably be adversely impacted by his ongoing health problems.

It is found that Claimant established significant impairment to basic work activities for a period longer than 12 months. Accordingly, Claimant established having a severe impairment and 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 LBP complaints. Radiology verified nerve impingement but it was described as relatively mild ("slightly indented nerve ganglion"). No reference to stenosis was noted. The listing was rejected due to a failure to establish a spinal disorder resulting in a compromised nerve root or an inability that Claimant ambulated ineffectively.

Listings for cardiac disorders (Listings 4.00), particularly peripheral artery disease (Listing 4.12), were considered. The listings were rejected due to insufficient evidence that Claimant meets any of the listing requirements beginning in 2013.

Digestive disorders (Listings 5.00) were considered based on hospitalizations related to diverticulitis. The listings were rejected due to a failure to verify any listing requirements.

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 he previous work involved maintaining an apartment complex. Other employment stated by Claimant included carpet installation and tow truck driving. Claimant stated that all of his past relevant employment required standing or lifting which he can no longer perform. Claimant's testimony was consistent with the presented 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 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).

Claimant presented evidence of what was described by a hospital as a "complicated" medical history. In the past three years, Claimant was treated for serious heart, intestinal and lumbar problems. There is evidence suggesting that the worst of Claimant's cardiac problems have been resolved but then in 9/2013, Claimant needed medical intervention to resolve "serious" cardiac stenosis.

Claimant was last treated for abdominal pain _____. Little medical treatment for digestive issues occurred in the year following; this is suggestive in finding that Claimant has no ongoing restrictions related to abdominal pain. Previous bouts of acute diverticulitis support finding that Claimant has done well to control further major medical intervention, however, this is not a given.

Claimant's most problematic restrictions appear to be lumbar pain. Radiology was supportive in finding that Claimant has pain. Claimant testified that the injection did not relieve his pain but this was not reflected in presented documents. Claimant's testimony was unverified but credible as an absence of pain relief is not thought to be an unusual response to an epidural injection.

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.

Claimant's physician noted that Claimant is restricted to occasional lifting of 10 pounds. The stated restriction is consistent with an ability to perform sedentary employment, but with no lifting restriction to spare.

Most worrisome for Claimant is the fragility of his condition. Claimant credibly testified that he minimizes diverticulitis bouts with his diet but that he is in need of bowel resection surgery and still requires occasional hospitalization. Claimant likely also has some degree of exertional restrictions based on his history of heart surgery.

Based on Claimant's current combination of back, cardiac and intestinal problems, it is improbable that Claimant can perform any type of employment. It is found that Claimant is a disabled individual and that DHS improperly denied Claimant's MA application.

DECISION AND ORDER

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

- reinstate Claimant's MA benefit application dated 2/7/13, including retroactive MA benefits from 1/2013;
- (2) evaluate Claimant's eligibility for MA benefits subject to the finding that Claimant is a disabled individual;
- (3) initiate a supplement for any benefits not issued as a result of the improper application denial; and
- (4) schedule a review of benefits in one year from the date of this administrative decision, if Claimant is found eligible for future MA benefits.

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

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

Date Signed: April 22, 2014

Date Mailed: April 22, 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

