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

IN THE MATTER OF:



Reg. No.: 2014-12521

Issue No.: 4009

Case No.:

Hearing Date: March 10, 2014 County: Wayne (57)

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, a telephone hearing was held on March 10, 2014, from Detroit, Michigan. Participants included the above-named Claimant.

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 State Disability Assistance (SDA) 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 Claimant applied for SDA benefits.
- Claimant's only basis for SDA benefits was as a disabled individual.
- 3. On _____, the Medical Review Team (MRT) determined that Claimant was not a disabled individual (see Exhibits 3-4).

- 4. On DHS denied Claimant's application for SDA benefits and mailed a Notice of Case Action informing Claimant of the denial.
- 5. On Leading, Claimant's AHR requested a hearing disputing the denial of SDA benefits.
- 6. On SHRT determined that Claimant was not a disabled individual, in part, by application of Medical-Vocational Rule 201.24.
- 7. As of the date of the administrative hearing, Claimant was a 40-year-old female with a height of 5'3" and weight of 211 pounds.
- 8. Claimant has a history of alcohol abuse.
- 9. Claimant's highest education year completed was the 12th grade, via general equivalency degree.
- 10. As of the date of the administrative hearing, Claimant was an ongoing Medicaid recipient.
- 11. Claimant alleged disability based on impairments and issues including depression, lumbar pain, cervical pain, fibromyalgia, chronic headaches and polyneuropathy.

CONCLUSIONS OF LAW

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 (1/2013), p. 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 (1/2012), p. 1.

A person is disabled for SDA purposes if he/she:

- 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). *Id.*

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 (see BAM 815) which determines whether Claimant is a disabled individual. *Id.* at 4.

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.

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 2014 monthly income limit considered SGA for non-blind individuals is \$1,080.

Claimant credibly denied performing any employment since the date of the MA application; no evidence was submitted to contradict Claimant's testimony. Based on the presented evidence, it is found that Claimant is not performing SGA and has not performed SGA since the date of MA application. 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 a summary of the relevant submitted medical documentation.

A Psychiatric Evaluation (Initial) (Exhibits 19-24) dated was presented. It was noted that Claimant reported complaints of physical pain and depression. Reported depression symptoms included hallucinations and crying spells. A reported past history of marijuana use until 2009 was noted. It was noted that Claimant still uses alcohol "blue moo-now and then once a month"; presumably, "blue moon" was the intended description to describe Claimant's alcohol use. A diagnosis of alcohol dependence was noted. Various noted observations of Claimant included the following: constricted

general appearance, constricted affect, poor insight, illusions, orientation x3, unremarkable motor status, unremarkable behavior during interview and sad mood. Axis I diagnoses of bipolar and PTSD were noted. Claimant's GAF was 30.

A Medical Activity Ticket (Exhibit 25) from Claimant's treating psychological clinic was presented. It was noted that Claimant's physician began prescribing Neurontin for leg pain. It was noted that Claimant received Abilify to treat depression.

A Clinical Laboratory Report (Exhibits 26-28) dated was presented. The report noted various out-of-range lab results. The results were not accompanied by any medical analysis.

A Medical Examination Report (Exhibits 10-12) dated was presented. The physician noted an approximate 5 ½ month-history of treating Claimant. Claimant's physician noted diagnoses of paresthesia, depression, chronic migraines and lumbar disc disease. It was noted that Claimant had 5/5 strength in all extremities. It was noted that Claimant was obese. The physician opined that Claimant could frequently lift up to 10 pounds, but never 20 pounds or more. An impression was given that Claimant's condition was stable. It was noted that Claimant could perform all listed repetitive actions (e.g. simple grasping, pushing/pulling and operating leg/foot controls.). It was noted that Claimant was restricted to sitting less than 6 hours per 8-hour day. It was noted that Claimant can meet household needs. Claimant's physician noted that the findings were based on abnormal radiology and restricted ranges of motion. The treating physician's opinions concerning Claimant's ability to stand and/or walk requires further analysis.

Section 7B of a Medical Examination Report addresses a patient's ability to walk and/or stand. The form lists three different restrictions and lists three boxes next to the restriction which allow a doctor to check one to describe the patient. On the DHS created report, the three check boxes are not directly across from the choice of restrictions. Thus, if a physician intends to restrict a client's walking to standing and/or walking to 2 hours in an 8-hour workday, a physician could reasonably select the first of 3 boxes, since the restriction is the first listed option. Alternatively, a physician could reasonably select the second box because it is directly across from the restriction. Because of the form's ambiguity, it is not known with certainty which choice was intended by Claimant's physician. The ambiguity will be interpreted favorably for Claimant because DHS's own form created the ambiguity. Thus, it is found that Claimant's physician intended to restrict Claimant to standing and/or walking less than 2 hours per 8-hour workday.

Various neurological treatment documents (Exhibits 31-40) from 2013 were presented. It was noted that Claimant reported headaches, leg pain and back pain. It was implied that Claimant was previously diagnosed with fibromyalgia.

A radiology report (Exhibits 41-42) dated was presented. The report concerned an MRI of Claimant's cervical spine. Noted impressions included mild straightening of

the normal lordotic curvature. Post-surgical changes secondary to C5-C6 fusion were noted. Very small disc herniations were noted at C4-C5 and C5-C6. Mild impingement of the right neural foramen was noted at C5-C6. Other impressions noted: no focal abnormality, no stenosis and no enhancing abnormality.

A radiology report (Exhibits 43-44) dated was presented. The report concerned an MRI of Claimant's lumbar spine. Noted impressions included mild to very mild degenerative changes. Small disc herniations were noted at L3-L4 and L4-L5. Mild to moderate impingement upon the neural foramen was noted at L3-L4. Mild impingement upon the neural foramen was noted at L4-L5.

A Residual Functional Capacity Questionnaire (Exhibits 55-57) dated presented. The questionnaire was completed by Claimant's primary care physician. Claimant's physician noted that Claimant could not tolerate low stress jobs due to a low stress threshold. It was noted that Claimant was restricted to 2 blocks of walking. It was noted that Claimant could sit about 4 hours in an 8-hour day and stand/walk less than 2 hours. It was noted that Claimant would require unscheduled breaks every 2 hours in an 8 hour day. It was noted that Claimant could rarely lift and carry less than 10 pounds. It was estimated that Claimant would be absent more than four days per month due to medical problems.

A treating neurologist letter (Exhibits 29-30) dated was presented. It was noted that Claimant had a history of headaches; a significant improvement was noted. It was noted that Claimant's headaches were reduced from 3-4 per week to once every other week. It was noted that Claimant reported low back pain and cramping and burning sensation in her legs. Hip pain was also noted. Claimant's motor strength was noted as 5/5 in all extremities. An antalgic gait was noted, Spasticity and tenderness was noted in Claimant's lumbar spine. It was noted that Claimant's depression improved since she was prescribed Abilify. Noted impressions included: Vitamin D deficiency, depression, possible diabetic neuropathy and chronic migraines (stable on current medication). A medical plan noted that an EMG of Claimant's legs and blood work were ordered. Vitamin D supplements were noted as prescribed.

Various neurological treatment documents (Exhibits 45-47) dated were presented. It was noted that Claimant reported difficulty with walking and paresthesias on . An assessment of muscle weakness was noted.

A treating neurologist letter (Exhibit 48) and Progress Notes (Exhibits 49-52) dated was presented. Diagnoses of depression, chronic migraines, lumbar pain, and paresthesias were noted. It was noted that Claimant's headaches increased following the stress of an eviction. An increase in back and calf pain was noted. It was noted that Claimant received an epidural injection. Noted prescribed medications included butalbital-acetiminophen, Neurontin and others. A follow-up appointment in 4 months was noted. Claimant's strength was 5/5 in all extremities.

Various Office Visit documents (Exhibits 59-104) were presented. The documents verified appointments for Claimant ranging in from and and . An MRI of Claimant's pelvis on noted bilateral sacroiliac joint disease. The documents noted various ongoing complaints of leg and back pain by Claimant.

The presented evidence verified that Claimant has exertional restrictions such as walking, sitting and lifting. The evidence also verified non-exertional restrictions such as headaches, body pain and a low stress threshold. The evidence verified physician diagnoses, reasonable physician-stated restrictions and medical support for the restrictions. The evidence also verified that Claimant's restrictions have existed since at least 8/2013, the date of Claimant's SDA application. The evidence also established that the restrictions will continue for at least 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 spinal disorders (Listing 1.04) was considered based on Claimant's complaint of back and leg pain. The listing was rejected due to a failure to verify any loss of strength or an inability to ambulate effectively. Though an antalgic gait was noted, Claimant did not present compelling evidence (e.g. history of falls) indicating that Claimant cannot ambulate effectively.

A listing for affective disorders (Listing 12.04) was considered based on a diagnosis for depression. The listing was rejected due to a failure to establish any marked restrictions. Part C of the listing was rejected because Claimant failed to verify a two year medical history of treatment.

Neurological listings were considered based on Claimant complaints of headaches and neurological treatment. The listings were rejected due to a failure to verify disorganization of motor function or any other 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 she worked as a housekeeper in 1999. Claimant testified that she cleaned hotel rooms and performed typical hotel housekeeping duties.

Claimant testified that she worked as a custodian until 2001. Claimant noted that her employment involved cleaning office buildings (see Exhibit 9).

Claimant testified that she did not work again until 2009 when she worked as a library monitor. Claimant testified that she left her job when she needed back surgery.

Claimant testified that her past relevant employment required long periods of standing which she can no longer perform. Claimant's testimony was credible and consistent with the presented 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, stooping. climbing. reaching. 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 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.

Presented spinal radiology verified multiple problems for Claimant. The most compelling evidence of pain was mild-to moderate neural foramen impingement at L3-L4. Generally, mild-moderate impingement is insufficient to find an inability to perform sedentary employment. In the present case, Claimant verified other problems which tend to support a finding that she cannot perform sedentary employment.

Presented radiology also verified that impingement of neural foramen in Claimant's cervical spine. This evidence demonstrated multiple pain areas for Claimant. A diagnosis of paresthesias tended to verify that Claimant had walking restrictions, presumably due to spinal pain. A diagnosis of polyneuropathy was further evidence of serious walking restrictions for Claimant. When factored with Claimant's history of headaches and psychological problems, the combined problems tended to make sedentary employment an unreasonable option for Claimant.

Claimant physician opined that Claimant was restricted to less than 2 hours of standing or walking per 8-hour workday. Claimant's physician further restricted Claimant to less than 6 hours of sitting per workday. An inability to sit, walk and stand for a total of 8 hours is consistent with finding that Claimant is unable to perform any type of employment, even sedentary employment.

Based on the presented evidence, it is found that Claimant is incapable of performing sedentary employment and is a disabled individual. Accordingly, it is found that DHS improperly denied Claimant's SDA application.

It should be noted that there is evidence that Claimant's condition is improving. Medical evidence verified that Claimant's headaches have decreased and that psychological symptoms improved with medication. Claimant's medical future cannot be predicted with certainty but it is reasonably possible that Claimant will be capable of performing sedentary employment following proper treatment.

Consideration was given in determining whether Claimant's alcohol use was material to the finding of disability. Presented records suggested that Claimant has a history of abuse and that she has not stopped consuming alcohol. The evidence was insufficient to determine that Claimant's continued use was material to Claimant's inability to perform sedentary employment.

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 SDA benefits. It is ordered that DHS:

- (1) reinstate Claimant's SDA benefit application dated
- (2) evaluate Claimant's eligibility for 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 SDA benefits.

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

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

Date Signed: <u>4/2/2014</u>

Date Mailed: 4/2/2014

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

