

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

**IN THE MATTER OF:**



Reg. No.:  
Issue No(s):  
Case No.:  
Hearing Date:  
County:



**ADMINISTRATIVE LAW JUDGE:** Carmen G. Fahie

**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; 42 CFR 431.200 to 431.250; and 45 CFR 205.10. After due notice, telephone hearing was held on Wednesday, April 2, 2014, from Lansing, Michigan. Participants on behalf of Claimant included the Claimant and his Caseworker, [REDACTED] from [REDACTED]. The Claimant's Authorized Representative and [REDACTED] was not present at the hearing. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

**ISSUE**

Did the Department of Human Services (the department) properly determine that Claimant was no longer disabled and deny his medical review application for Medical Assistance (MA-P) and the State Disability Assistance (SDA) benefit programs?

**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 August 12, 2011, the Claimant was approved for MA-P and SDA by the Medical Review Team (MRT) with medical review due on August 2012.
2. On October 30, 2013, the MRT denied the Claimant's medical review for MA-P and SDA stating that the Claimant had a medical improvement.

3. On November 5, 2013, the Department Caseworker sent the Claimant a notice that for SDA and for MA-P that he had a medical improvement and his cases would be closed.
4. On December 6, 2013, the Department received a hearing request from the Claimant, contesting the Department's negative action.
5. On February 7, 2014, the State Hearing Review Team (SHRT) considered the submitted objective medical evidence in making its determination of medical review of MA-P and SDA for the Claimant. The Claimant is 40 years old with a high school education and a history of semi-skilled work. He alleges disability due to diabetes, bipolar disorder, agoraphobia, anxiety, epilepsy, and hypertension. The Claimant's impairments do not meet/equal the intent or severity of a Social Security listing. The medical evidence on the record indicates that the Claimant retains the capacity to perform a wide range of light work. Therefore, based on the Claimant's vocational profile (younger individual, high school education and history of light work), MA-P and SDA is denied using Vocational Rule 202.21 as a guide.
6. The Claimant is a 41 year-old man whose date of birth is [REDACTED] [REDACTED] [REDACTED]. The Claimant is 5' 11" tall and weighs 285 pounds. The Claimant has completed High School. The Claimant can read and write, but has a problem with reading and do basic math sometimes. He was not Special Education in High School. The Claimant was last employed as a [REDACTED] [REDACTED] at the light/medium level in August 2008, which is his pertinent work history.
7. The Claimant's alleged impairments are diabetes, bipolar disorder, agoraphobia, anxiety, epilepsy, and hypertension.

### **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.

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department of Human Services (DHS or department) administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

"Disability" is:

...the inability to do any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.... 20 CFR 416.905.

...We follow a set order to determine whether you are disabled. We review any current work activity, the severity of your impairment(s), your residual functional capacity, your past work, and your age, education and work experience. If we can find that you are disabled or not disabled at any point in the review, we do not review your claim further.... 20 CFR 416.920.

...If you are working and the work you are doing is substantial gainful activity, we will find that you are not disabled regardless of your medical condition or your age, education, and work experience. 20 CFR 416.920(b).

...[The impairment]...must have lasted or must be expected to last for a continuous period of at least 12 months. We call this the duration requirement. 20 CFR 416.909.

...If you do not have any impairment or combination of impairments which significantly limits your physical or mental ability to do basic work activities, we will find that you do not have a severe impairment and are, therefore, not disabled.

We will not consider your age, education, and work experience. 20 CFR 416.920(c).

[In reviewing your impairment]...We need reports about your impairments from acceptable medical sources.... 20 CFR 416.913(a).

...Statements about your pain or other symptoms will not alone establish that you are disabled; there must be medical signs and laboratory findings which show that you have a medical impairment.... 20 CFR 416.929(a).

...You must provide medical evidence showing that you have an impairment(s) and how severe it is during the time you say that you are disabled. 20 CFR 416.912(c).

... [The record must show a severe impairment] which significantly limits your physical or mental ability to do basic work activities.... 20 CFR 416.920(c).

...Medical reports should include --

- (1) Medical history.
- (2) Clinical findings (such as the results of physical or mental status examinations);
- (3) Laboratory findings (such as blood pressure, X-rays);
- (4) Diagnosis (statement of disease or injury based on its signs and symptoms).... 20 CFR 416.913(b).

...The medical evidence...must be complete and detailed enough to allow us to make a determination about whether you are disabled or blind. 20 CFR 416.913(d).

Medical findings consist of symptoms, signs, and laboratory findings:

- (a) **Symptoms** are your own description of your physical or mental impairment. Your statements alone are not enough to establish that there is a physical or mental impairment.
- (b) **Signs** are anatomical, physiological, or psychological abnormalities which can be observed, apart from your statements (symptoms). Signs must be shown by medically acceptable clinical diagnostic techniques. Psychiatric signs are medically demonstrable phenomena which indicate specific psychological abnormalities e.g., abnormalities of behavior, mood, thought, memory, orientation, development, or perception. They must also be shown by observable facts that can be medically described and evaluated.
- (c) **Laboratory findings** are anatomical, physiological, or psychological phenomena which can be shown by the use of medically acceptable laboratory diagnostic techniques. Some of these diagnostic techniques include chemical tests, electrophysiological studies (electrocardiogram, electroencephalogram, etc.), roentgenological studies (X-rays), and psychological tests. 20 CFR 416.928.

It must allow us to determine --

- (1) The nature and limiting effects of your impairment(s) for any period in question;
- (2) The probable duration of your impairment; and
- (3) Your residual functional capacity to do work-related physical and mental activities. 20 CFR 416.913(d).

In general, Claimant has the responsibility to prove that he/she is disabled. Claimant's impairment must result from anatomical, physiological, or psychological abnormalities which can be shown by medically acceptable clinical and laboratory diagnostic techniques. A physical or mental impairment must be established by medical evidence consisting of signs, symptoms, and laboratory findings, not only claimant's statement of symptoms. 20 CFR 416.908; 20 CFR 416.927. Proof must be in the form of medical evidence showing that the claimant has an impairment and the nature and extent of its severity. 20 CFR 416.912. Information must be sufficient to enable a determination as to the nature and limiting effects of the impairment for the period in question, the probable duration of the impairment and the residual functional capacity to do work-related physical and mental activities. 20 CFR 416.913.

Once an individual has been determined to be "disabled" for purposes of disability benefits, continued entitlement to benefits must be periodically reviewed. In evaluating whether an individual's disability continues, 20 CFR 416.994 requires the trier of fact to follow a sequential evaluation process by which current work activities, severity of impairment(s), and the possibility of medical improvement and its relationship to the individual's ability to work are assessed. Review may cease and benefits may be continued at any point if there is substantial evidence to find that the individual is unable to engage in substantial gainful activity. 20 CFR 416.994(b)(5).

#### Step 1

First, the trier of fact must determine if the individual is working and if work is substantial gainful activity. 20 CFR 416.994(b)(5)(i). In this case, the Claimant is not engaged in substantial gainful activity and has not worked since August 2008. Therefore, the Claimant is not disqualified from receiving disability at Step 1.

#### Step 2

In the second step of the sequential consideration of a disability claim, the Trier of Fact must determine if the Claimant's impairment (or combination of impairments) is listed in Appendix 1 of Subpart P of 20 CFR, Part 404. This Administrative Law Judge finds that the Claimant's medical record will not support a finding that Claimant's impairment(s) is a "listed impairment" or equal to a listed impairment. See Appendix 1 of Subpart P of 20 CFR, Part 404, Part A. Accordingly, Claimant cannot be found to be disabled based upon medical evidence alone. 20 CFR 416.920(d). This Administrative Law Judge finds that the Claimant's impairments do not rise to the level necessary to be listed as

disabling by law. This Administrative Law Judge finds that the Claimant's impairments do not rise to the level necessary to be listed as disabling by law. In this case, the Claimant's impairments or combination of impairments do not meet or equal the severity of an impairment listed in Appendix 1. Therefore, the Claimant is disqualified from receiving disability at Step 2.

### Step 3

In the third step of the sequential evaluation, the trier of fact must determine whether there has been medical improvement as defined in 20 CFR 416.994(b)(1)(i). 20 CFR 416.994 (b)(5)(iii). Medical improvement is defined as any decrease in the medical severity of the impairment(s) which was present at the time of the most recent favorable medical decision that the claimant was disabled or continues to be disabled. A determination that there has been a decrease in medical severity must be based on changes (improvement) in the symptoms, signs, and/or laboratory findings associated with Claimant's impairment(s). If there has been medical improvement as shown by a decrease in medical severity, the trier of fact must proceed to Step 4 (which examines whether the medical improvement is related to the Claimant's ability to do work). If there has been no decrease in medical severity and thus no medical improvement, the trier of fact moves to Step 5 in the sequential evaluation process.

On September 25, 2013, the Claimant was seen by his treating psychiatrist for an update evaluation at Genesee Health System. The Claimant was primarily diagnosed with schizoaffective disorder with a secondary diagnosis of obsessive compulsive disorder. He was given a GAF of 50. The Claimant appeared his stated age. He was awake and alert. The Claimant was oriented to person, place, and time. He was of average weight. He was sitting up with appropriate hygiene. He was attentive and cooperative. The Claimant had an open approach with a helpful disposition. He had normal activity with good eye contact. He had normal physical findings, rate, rhythm, amount, articulation, volume, and fluency. The Claimant was spontaneous with a euthymic mood. He had an appropriate affect with normal thought processes. He was devoid of any suicidal, homicidal, hallucinations, paranoia, or delusion ideations. He admitted to visual and auditory hallucinations. He has normal insight and judgment. His cognition was not impaired. His memory was intact where he was aware of current events with normal attention span and concentration. Department Exhibit 22-33. The Claimant is capable of managing his own benefit funds. Department Exhibit 36-38. The Claimant had 12 marked limitations, 6 moderate limitations, and 2 not significant limitations. There were no remarks or comments added to support the listed limitations. Department Exhibit 34-35.

On September 3, 2013, the Claimant was seen by his treating physician who completed a Medical Examination Report, DHS 49. The Claimant was diagnosed and had a history of allergic rhinitis, carpal tunnel syndrome (cts), acid reflux, hip pain, urinary tract infection (uti), bipolar disorder, COPD, diabetes mellitus (DM), hyperlipidemia, and obesity. The Claimant was first examined on January 19, 2010 and last examined in September 3, 2013. His treating physician did not report any abnormal findings except

hip pain and depressed. The Claimant was stable with physical limitations that were expected to last more than 90 days. He could frequently lift up to 25 pounds and occasionally lift 50 pounds. His walking, sitting, and standing abilities was within normal limits. In addition, his repetitive action in both his legs/arms was also within normal limits. The Claimant could use both hands/arms and legs/feet for repetitive action. He was mentally limited. The Claimant could meet his needs in the home. Department Exhibit 19-21.

On February 25, 2013, the Claimant was given a psychiatric review of his treatment Genesee Count Community Mental Health. The Claimant was primarily diagnosed with schizoaffective disorder with a secondary diagnosis of obsessive compulsive disorder. He was given a GAF of 50. The Claimant was polite and cooperative, dressed casually with adequate grooming and hygiene. Psychomotor activity was within normal limits. He had adequate eye contact. Speech was logical, coherent, and goal directed. There was no evidence of loose associations or pressured speech. Mood was euthymic. Affect was appropriate. Sleep and appetite was stable. There were no residual delusions and hallucinations. The Claimant denied suicidal and homicidal ideations, plans, and intent. He was alert and oriented to person, place, and time. The Claimant had a history of seizures. The Claimant was to return in 6 weeks as needed with a target date of November 3013. Department Exhibit 39-52.

At Step 3, this Administrative Law Judge finds that the Claimant does have medical improvement and his medical improvement is related to the Claimant's ability to perform substantial gainful activity. The Claimant underwent treatment for his mental impairments. There is no evidence of a thought disorder. The Claimant is still taking medications and in treatment for his mental impairments. He is capable of performing simple, unskilled work. His treating specialist listed that he could perform at least light to medium work with most of his systems within normal limits except for hip pain and depression. He was considered stable. The Claimant was able to perform simple, unskilled, and light to medium work. Therefore, the Claimant is disqualified from receiving disability at Step 3.

#### Step 4

In Step 4 of the sequential evaluation, the trier of fact must determine whether medical improvement is related to Claimant's ability to do work in accordance with 20 CFR 416.994(b)(1)(i) through (b)(1)(iv). 20 CFR 416.994(b)(5)(iv). It is the finding of this Administrative Law Judge, after careful review of the record, that there has been medical improvement, but that he cannot perform his past work. The Claimant was last employed as a store manager at the medium to light level in 2008 at the semi-skilled level.

At Step 4, the Claimant testified that he does not perform most of his daily living activities, which is not supported by the objective medical evidence provided by his treating psychiatrist and treating physician. The Claimant testified that his condition has gotten worse because he has an increase in his anxiety and diabetes incontinence. He

did have a mental impairment of seizures, agoraphobia, bipolar disorder, and anxiety. The Claimant was taking medications and in therapy for his mental impairments. The Claimant stopped smoking in March 2013 where before he smoked a pipe. He tried alcohol only once or twice before stopping completely. He has not or has ever used illegal or illicit drugs.

This Administrative Law Judge finds that the Claimant's medical improvement is related to his ability to do work. The Claimant is taking medication and in therapy for his mental impairments. The Claimant completed the 12<sup>th</sup> grade of high school. The Claimant should be able to perform at least simple, unskilled work. He is limited because of his mental impairments even though there was no evidence of a thought disorder. Therefore, the Claimant is disqualified from receiving disability at Step 4 where the Claimant can perform simple, unskilled, light work. If there is a finding of medical improvement related to Claimant's ability to perform work, the trier of fact is to move to Step 6 in the sequential evaluation process.

#### Step 6

In the sixth step of the sequential evaluation, the trier of fact is to determine whether the claimant's current impairment(s) is severe per 20 CFR 416.921. 20 CFR 416.994(b)(5)(vi). If the residual functional capacity assessment reveals significant limitations upon a claimant's ability to engage in basic work activities, the trier of fact moves to Step 7 in the sequential evaluation process. The Claimant has impairments with his hip. In addition, he is in therapy and taking medications for his mental impairments. See Steps 3 and 4. In this case, this Administrative Law Judge finds Claimant can perform at least simple, unskilled, light work even with his impairments. Therefore, the Claimant is not disqualified from receiving disability at Step 6 where the Claimant passes for severity.

#### Step 7

In the seventh step of the sequential evaluation, the trier of fact is to assess a claimant's current ability to engage in substantial gainful activities in accordance with 20 CFR 416.960 through 416.969. 20 CFR 416.994(b)(5)(vii). The trier of fact is to assess the Claimant's current residual functional capacity based on all current impairments and consider whether the Claimant can still do work he has done in the past. At Step 7, the Claimant has previously been employed at the light to medium level as a store manager with semi-skilled work. In this case, this Administrative Law Judge finds that Claimant should be able to perform light work at the simple, unskilled level because of his mental impairments. As a result, the Claimant is not capable of performing past, relevant work. See Steps 3 and 4. Therefore, the Claimant is not disqualified from receiving disability at Step 7 where the Claimant is not capable of performing his past, relevant work.



### Step 8

In the final step, Step 8, of the sequential evaluation, the trier of fact is to consider whether the Claimant can do any other work, given the Claimant's residual function capacity and Claimant's age, education, and past work experience. 20 CFR 416.994(b)(5)(viii). In this case, based upon the Claimant's vocational profile of a younger individual, with a 12<sup>th</sup> grade high school education, and a history of semi-skilled, light work, MA-P is denied using Vocational Rule 202.20 as a guide. This Administrative Law Judge finds that Claimant does have medical improvement in this case where the Claimant is capable of performing simple, unskilled, light work and the Department has established by the necessary, competent, material and substantial evidence on the record that it was acting in compliance with department policy when it proposed to closed Claimant's MA-P case based upon medical improvement.

The Department's Program Eligibility Manual provides the following policy statements and instructions for caseworkers regarding the SDA program.

#### **DISABILITY – SDA**

#### **DEPARTMENT POLICY**

#### **SDA**

To receive SDA, a person must be disabled, caring for a disabled person, or age 65 or older.

**Note:** There is no disability requirement for AMP. PEM 261, p. 1.

#### **DISABILITY**

A person is disabled for SDA purposes if he:

- . receives other specified disability-related benefits or services, 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.
- . is diagnosed as having Acquired Immunodeficiency Syndrome (AIDS).

If the client's circumstances change so that the basis of his/her disability is no longer valid, determine if he/she meets

any of the other disability criteria. Do NOT simply initiate case closure. PEM, Item 261, p. 1.

### **Other Benefits or Services**

Persons receiving one of the following benefits or services meet the SDA disability criteria:

- . Retirement, Survivors and Disability Insurance (RSDI), due to disability or blindness.
- . Supplemental Security Income (SSI), due to disability or blindness.
- . Medicaid (including spend-down) as blind or disabled if the disability/blindness is based on:
  - .. a DE/MRT/SRT determination, or
  - .. a hearing decision, or
  - .. having SSI based on blindness or disability recently terminated (within the past 12 months) for financial reasons.

Medicaid received by former SSI recipients based on policies in PEM 150 under "**SSI TERMINATIONS,**" INCLUDING "**MA While Appealing Disability Termination,**" does not qualify a person as disabled for SDA. Such persons must be certified as disabled or meet one of the other SDA qualifying criteria. See "**Medical Certification of Disability**" below.

- . Michigan Rehabilitation Services (MRS). A person is receiving services if he has been determined eligible for MRS and has an active MRS case. Do not refer or advise applicants to apply for MRS for the purpose of qualifying for SDA.
- . Special education services from the local intermediate school district. To qualify, the person may be:
  - .. attending school under a special education plan approved by the local Individual Educational Planning Committee (IEPC); **or**
  - .. not attending under an IEPC approved plan but has been certified as a special education student **and** is

attending a school program leading to a high school diploma or its equivalent, **and** is under age 26. The program does not have to be designated as “special education” as long as the person has been certified as a special education student. Eligibility on this basis continues until the person completes the high school program or reaches age 26, whichever is earlier.

- . Refugee or asylee who lost eligibility for Social Security Income (SSI) due to exceeding the maximum time limit PEM, Item 261, pp. 1-2.

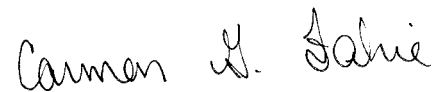
Because the Claimant does not meet the definition of medical review disabled under the MA program and because the evidence in the record does not establish that the Claimant is unable to work for a period exceeding 90 days, the Claimant does not meet the medical review disability criteria for SDA.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds Claimant  disabled  not disabled for purposes of the medical review of MA and SDA benefit programs.

### **DECISION AND ORDER**

Accordingly, the Department’s determination is  **AFFIRMED**  REVERSED.

THE DEPARTMENT IS ORDERED TO INITIATE THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:



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**Carmen G. Fahie**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: April 24, 2014

Date Mailed: April 24, 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

CGF/nr

cc:

