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

IN THE MATTER OF:



Reg. No.: 2014-2280

Issue No.: 2009

Case No.:

March 19, 2014 Hearing Date: County: Wayne (18)

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 March 19, 2014, from Taylor, Michigan. Participants included the above-named Claimant. Participants on behalf of the Department of Human Services (DHS) included , Specialist.

<u>ISSUE</u>

The issue is whether DHS properly denied Claimant's application for Medical Assistance (MA) and 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. Claimant applied for MA and SDA benefits.
- Claimant's only basis for MA and SDA benefits was as a disabled individual.
- 3 , the Medical Review Team (MRT) determined that Claimant was not a disabled individual (see Exhibits 2-3).

- 4. On Manager, DHS denied Claimant's application for MA and SDA benefits and mailed a Notice of Case Action informing Claimant of the denial.
- 5. On the Confidence, Claimant requested a hearing disputing the denial of MA and SDA benefits.
- 6. On SHRT determined that Claimant was not a disabled individual, in part, by application of Medical-Vocational Rule 201.27.
- 7. As of the date of the administrative hearing, Claimant was a 43-year-old male with a height of 5'8" and weight of 382 pounds.
- 8. Claimant has no known relevant history of alcohol or illegal substance abuse.
- 9. Claimant's highest education year completed was the 12th grade; Claimant also obtained a 2-year college degree in automotive science.
- 10. As of the date of the administrative hearing, Claimant was an ongoing Adult Medical Program recipient since approximately 6/2013.
- 11. Claimant alleged disability based on impairments and issues including bipolar disorder and obesity.

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. "Current" work activity is interpreted to include all time since the date of application. The 2013 monthly income limit considered SGA for non-blind individuals is \$1,040.

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 Psychological Evaluation (Exhibits 73-78; 83-88) dated was presented. It was noted that Claimant took various cognitive tests including a Weschler Adult Intelligence Scale, 3rd Edition (WAIS-3), Wide Range Achievement Test Revision 3 (WRAT 3), among others. The examiner noted that Claimant had low-average intelligent functioning, with a potential for average functioning. It was noted that Claimant's reading was low-average. It was noted that Claimant's spelling scored in the deficient range. Claimant's personality style was described as socially avoidant and overly dependent.

A psychiatric examination report (Exhibits 59-62) dated was presented. It was noted that Clamant feared provocative confrontations for fear of having an explosive episode. It was noted that Claimant engages in "shut-down mode" when he gets angry. The examiner noted that Claimant had moderate to severe cognitive impairments primarily affecting functional skills. The examiner noted that Claimant had difficulty absorbing written information. An Axis I diagnosis of Psychotic Disorder was noted. Claimant's GAF was noted to be 41.

A psychiatric examination report (Exhibits 51-54; 55-58) dated was presented. The report was completed by a consultative psychiatrist. The examiner noted Claimant was recently hospitalized due to explosive temper. It was noted that Claimant received therapy from 2008-2009. Claimant's GAF was noted as 50.

A Mental Residual Functional Capacity Assessment (Exhibits 39-40) dated was presented. The form was completed by a former therapist of Claimant's and signed-off by a psychologist. It was noted that Claimant was markedly restricted in responding appropriately to criticism. Moderate restrictions were noted for Claimant in the following abilities: working in proximity to others without being distracting, completing a normal workday without psychological symptom interruption, getting along with coworkers, and interacting with the public. It was noted that Claimant's personality disorder and defense mechanisms undermined Claimant's ability to sustain employment.

A Psychiatric/Psychology Report (Exhibits 41-42) was presented. A signature page and date were not presented. Based on the form's creation date and author's handwriting, the report was likely completed on by the same persons that assessed Claimant's functional capacity. It was noted that Claimant regularly and independently attended 10 therapy sessions. Noted assessments of Claimant included poor coping skills, anger, frustration, and denial. A GAF of 49 was noted. An Axis I diagnosis of LD Written Expression was noted. An Axis II diagnosis of Personality Disorder was noted.

A physical examination report (Exhibits 4-10) dated was presented; the report was completed by a consulting physician. It was noted that Claimant presented with

complaints of foot swelling, knee stiffness and pain when ambulating. The examiner noted some evidence that Claimant has plantar fasciitis, which may require therapy. The examiner noted that Claimant's main problem was his excessive weight. The examiner noted without commentary that Claimant had the abilities to sit, stand, bend, stoop, push and pull. It was noted that Claimant could not squat and arise. Reduced range of motion was noted in Claimant's lumbar spine and left hip.

A mental examination report (Exhibits 11-15) dated was presented; the report was completed by a consultative licensed psychologist. It was noted that Claimant reported a previous diagnosis of borderline personality disorder. The examiner noted the following observations concerning Claimant: adequate grooming, slowed motor activity, adequate contact with reality, adequate insight, verbally responsive, logical and goal directed and orientation x3. An Axis I diagnosis of LD Written Expression was noted. An Axis II diagnosis of Personality Disorder was noted. Claimant's GAF was 70. A fair prognosis was noted. The examiner opined the following concerning Claimant's abilities: moderate impairments in relating to others, mild impairment in understanding and carrying out tasks, mild impairment in maintaining attention and persistence, and mild to moderate impairment in withstanding stress of day-to-day activities.

A Medical Examination Report (Exhibits 21-23) dated report was completed by a primary care physician. A date that Claimant was first examined was not provided but a an approximate 2 year history of treating Claimant can be deduced from earlier completed Medical Examination Reports (Exhibits 37-38; 68-69). Diagnoses of bilateral knee and ankle pain were noted. Bilateral crepitus and joint line tenderness were noted in Claimant's knees. Claimant's strength was noted as 5/5. It was noted that Claimant could frequently lift 25 pounds and occasionally 50 pounds. Claimant was found capable of standing and/or walking less than 2 hours per 8-hour day. Claimant was found capable of sitting 6 hours per 8-hour workday. Mental restrictions were noted in Claimant's concentration and social interaction. Claimant's condition was noted as stable.

A letter (Exhibit A3) from a social worker dated was presented. It was noted that Claimant completed an initial intake with a mental health agency on noted that Claimant attended regular mental health sessions since intake.

A letter from a rehabilitation counselor worker (Exhibit A2) dated was presented. It was noted that Claimant was eligible for services from Michigan Rehabilitation Services.

Presented evidence established that Claimant had standing and walking restrictions of less than 2 hours per 8-hour day. Claimant's physician noted bilateral ankle and knee pain. Though Claimant's pain is most likely exacerbated by obesity, for purposes of this decision, Claimant's weight will be ignored. Claimant's walking and standing restrictions are found to be a severe impairment.

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 joint disorders was considered based on joint pain. The listing was rejected because it was not established that Claimant is unable to ambulate effectively.

A listing for personality disorders (Listing 12.08) was considered based on a diagnosis for an unspecified personality disorder. The listing was rejected due to a failure to verify marked restrictions in social, concentration or performing daily activities.

A listing for limited cognitive function (Listing 12.05) was considered based on Claimant's poor spelling and intellectual restrictions. The listing was rejected due to a failure to establish sufficiently deficient overall or verbal I.Q.

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 he performed past employment as an emergency roadside assistant. Claimant testified that he also performed past employment as a department clerk and as a car parts stocker. Claimant testified that he is unable to perform the standing or walking necessary of his past employment. Claimant's testimony was consistent with the presented evidence. It is found that Claimant is unable to perform past employment.

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, crouching. 20 or 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.

Claimant's physician determined that Claimant could stand and/or walk less than 2 hours per 8-hour day. This restriction is consistent with an inability to perform sedentary employment, however, such an ability does not preclude the performance of sedentary employment. As noted above, SSA rules define sedentary employment as requiring "no more than about 2 hours of an 8-hour workday". Thus, there are likely less exertional employment opportunities that Claimant can physically perform.

Concerning non-exertional impairments, there were several. Claimant testified that he attended remedial classes in high school. Claimant presented his high school transcript (Exhibits A4-A5) which verified Claimant's testimony. This evidence was consistent with other intellectual testing which found that Claimant's spelling ability was "deficient". A deficient spelling level would likely restrict Claimant from employment involving a modest degree of writing.

Claimant does not appear to be precluded from performing sit-down employment involving some labor. Claimant's physician opined that Claimant could lift 25 pounds and sit for 6 hours throughout an 8-hour workday. The physician's conclusions are consistent with finding that Claimant can perform sedentary employment.

Claimant also had psychological impairments as noted by a treating psychiatrist. Marked difficulties in responding to criticism are indicative of Claimant requiring a positive work environment. Finding such a work environment is not an impossible goal.

Claimant's treating psychiatrist also opined that Claimant had moderate impairments in multiple social abilities and in completing a workday without psychological symptoms.

Claimant's employment obstacles are numerous, but not so numerous as to make all potential employment an unreasonable option. Claimant is capable of performing a sit-down job involving limited social interaction and writing. The availability of jobs that Claimant can perform was not verified by vocational experts. Claimant's restrictions are not presumed to be so strict that there is any doubt that a sufficient number of employment opportunities remain available to Claimant. Based on the presented evidence, it is found that Claimant is capable of performing sedentary employment.

Based on Claimant's exertional work level (sedentary), age (younger individual aged 18-44), education (limited or less), employment history (unskilled), Medical-Vocational Rule 201.24 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.

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.

It has already been found that Claimant is not disabled for purposes of MA benefits based on application of Medical-Vocational Rule 201.24. The analysis and finding applies equally for Claimant's SDA benefit application. It is found that Claimant is not a disabled individual for purposes of SDA eligibility and that DHS properly denied Claimant's application for SDA 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 and SDA benefit application dated 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>4/7/2014</u>

Date Mailed: <u>4/7/2014</u>

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

