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

IN THE MATTER OF:



Reg. No.: 2014-4656

Issue No.: 2009

Case No.:

Hearing Date: March 12, 2014 County: Wayne (19)

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 12, 2014, from Inkster, Michigan. Participants included the above-named Claimant, via telephone (per AHR request). testified and appeared, via telephone (per AHR request), as Claimant's authorized hearing representative (AHR). 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 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 _____, Claimant applied for MA benefits, including retroactive MA benefits from 2/2013.
- Claimant's only basis for MA benefits was as a disabled individual.

- 3. On the Medical Review Team (MRT) determined that Claimant was not a disabled individual (see Exhibits 5-6).
- 4. On MA benefits and mailed a Notice of Case Action informing Claimant of the denial.
- 5. On _____, Claimant's AHR requested a hearing disputing the denial of MA benefits.
- 6. On SHRT determined that Claimant was not a disabled individual, in part, by application of Medical-Vocational Rule 204.00
- 7. On an administrative hearing was held.
- 8. During the hearing, Claimant waived the right to receive a timely hearing decision.
- 9. During the hearing, Claimant and DHS waived any objections to allow the admission of any additional medical documents considered and forwarded by SHRT.
- 10. On _____, an Updated Interim Order Extending the Record was mailed to Claimant to allow 7 days from the date of hearing to submit treating physician documents since 10/2013.
- 11. On Claimant submitted additional documents (Exhibits A1-A175).
- 12. On _____, 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 an additional 90 days.
- 13. On SHRT determined that Claimant was not disabled (see Exhibit 2-46), in part, by reliance of multiple Disability Determination Explanations (Exhibits 2-1-2-45)
- 14. On the Michigan Administrative Hearings System received the hearing packet and updated SHRT decision.
- 15. As of the date of the administrative hearing, Claimant was a 52 year old female with a height of 5'5" and weight of 190 pounds.
- 16. Claimant has a history of alcohol and/or illegal substance abuse.
- 17. Claimant's highest education year completed was the 12th grade, via general equivalency degree.

- 18. As of the date of the administrative hearing, Claimant received ongoing Medicaid benefits from the State of Ohio, effective approximately 8/2013.
- 19. Claimant alleged disability based on impairments and issues including scoliosis, post-traumatic stress disorder (PTSD) and other psychological symptoms.

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. "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.

Hospital documents (Exhibits 55-71) from an admission dated were presented. It was noted that Claimant presented with extrapyramidal symptoms and a "robot-like" appearance, ongoing for 3-4 days. A psychiatric discharge from was referenced. It was noted that Claimant also displayed symptoms of tremor, head shaking, feet tapping and uncontrolled hand and head movements. It was noted that Claimant's symptoms were consistent with serotonin syndrome. It was noted that Claimant's provider should be notified concerning potential duplicate medications.

An Adult Diagnostic Assessment (Exhibit 18-26) from an assessment dated presented. The assessment was signed by a licensed social worker. It was noted that Claimant reported complaints of anxiety. Noted symptoms included: decreased appetite, feeling overwhelmed, anger management, inability to concentrate, and an inability to sleep. A history of alcohol and crack cocaine abuse from 2000 and prior was noted. It was noted that Claimant did not like being in places with large groups of people. It was noted that Claimant paced and appeared shaky and sweaty during the interview. Claimant's reported history included: sexual abuse victimization, abusive domestic relationship and witnessing a friend killed by a train. Axis I diagnoses of generalized anxiety disorder, major depressive disorder and PTSD were noted. Claimant's GAF was noted to be 45.

A Nursing Assessment (Exhibits 33-34) dated was presented. It was noted that Claimant's sleepwalking decreased. It was noted that Claimant feels stable after taking medication. It was noted that Claimant reported stable mood and denied depression, anxiety or anger.

A Nursing Assessment (Exhibit 41) dated was presented. It was noted that Claimant still sleepwalks. It was noted that Claimant has anxiety and can't relax. It was noted that Claimant slept okay and her appetite was good. It was noted that Claimant received prescription refills.

Various nursing assessments and other treating mental health documents (Exhibits 27-32; 42-54) were presented. The documents verified that Claimant regularly attended medical appointment in 3/2013 and 4/2013. The documents also verified that Claimant received medication for reported complaints.

A list of Claimant medications (Exhibit 15) dated from Claimant's treating mental health provider was presented. It was noted that Claimant had 5 active medications including Paxil, Vistaril, Latuda, propranolol and benztropine. Previous medications (Exhibits 16-17) were also noted.

Following the hearing, Claimant was given additional time to present 13 pages of medical records since 10/2013. Claimant's AHR presented 175 unnumbered pages, most of which involved Claimant treatment before 10/2013. The documents also included a nursing progress note dated which documented a telephone call from Claimant's physician; inexplicably, 50 copies of this document (see Exhibits A60-110) were submitted.

A Nursing Progress Note (Exhibits A18-A19) dated was presented. It was noted that Claimant was psychiatrically stable. It was noted that Claimant reported good control of her psychiatric symptoms.

A Nursing Progress Note (Exhibits A20-A21) dated was presented. It was noted that Claimant was psychiatrically stable. It was noted that Claimant reported doing well.

It was noted that Claimant denied any medication side effects. It was noted that Claimant was eating and sleeping well.

A Nursing Progress Note (Exhibits A22-A23) dated was presented. It was noted that Claimant had no problem with anxiety. It was noted that Claimant reported lower back spasms.

A Nursing Progress Note (Exhibits A24-A25) dated was presented. It was noted that Claimant was scheduled to have a lower back MRI.

A Nursing Progress Note (Exhibits A28-A29) dated was presented. It was noted that Claimant presented for assistance setting up her weekly medication box.

A Nursing Progress Note (Exhibits A39-A40) dated was presented. It was noted that Claimant reported feeling more depressed lately.

A Nursing Progress Note (Exhibits A45-A46) dated was presented. It was noted that Claimant had less depression and no anxiety.

A lumbar MRI radiology report (Exhibits A156-A157) dated was presented. An impression of severe degenerative changes was noted. Moderate to severe right foraminal stenosis was noted at L5-S1.

Medical clinic lab results (Exhibit A153) dated were presented. It was noted that Claimant's cholesterol was 295 and exceeded the range of normal levels. It was noted that Claimant's triglycerides, HDL cholesterol, LDL, and cholesterol: HDL were high and outside of the acceptable range. A low cholesterol diet was noted as recommended.

A Nursing Progress Note (Exhibit A53) dated was presented. It was noted that Claimant reported "really bad" back pain.

Physical therapy treatment documents (Exhibits A158-A162) dated were presented. It was noted that Claimant experienced back pain after moving in 3/2013. It was noted that pain medications offered no relief from back pain. A diagnosis of lumbago was noted. A goal to walk ¼ mile with pain at or less than 3/10 was noted. A plan of physical therapy 2-3 times per week was noted.

A Nursing Progress Note (Exhibits A54) dated was presented. It was noted that Claimant did not know the results of her MRI.

Numerous other progress notes ranging from 3/2013-12/2013 were presented. The notes regularly noted that Claimant complained of back problems and that Claimant required assistance with setting up her medication box.

Presented records verified that Claimant reported back pain beginning 3/2013. Presented radiology reports verified that Claimant has abnormalities, which are

consistent with walking and lifting restrictions. Though it was not verified how Claimant responded to therapy, a noted goal of walking ¼ mile with a pain level no greater than 3/10 implies restrictions even if therapy is successful.

It is found that Claimant has significant impairments to performing basic work activities due to back pain, expected to last 12 months or longer. Accordingly, Claimant established having a severe impairment and the analysis may proceed 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 back pain complaints. The listing was rejected due to a failure to establish that Claimant is unable to ambulate effectively.

Listings for anxiety (Listing 12.06) and affective disorders (Listing 12.04) were considered based on diagnoses for general anxiety disorder, depression, and PTSD. The listings were rejected due to a failure to establish marked restrictions and/or 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 testimony painted a sparse and erratic work history. Claimant testified that she worked for 3 months in 2012 as a cashier. Claimant testified that she worked in a factory for two months in 2006. Claimant testified that she worked across five months in 2002 for a fast-food restaurant. Claimant testified that she is unable to perform the standing necessary to perform any of her past relevant employment. Claimant's testimony was credible and consistent with presented lumbar treatment documents. 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).

Given Claimant's age, education and employment history a determination of disability is dependent on Claimant's ability to perform light employment. Social Security Rule 83-10 states that the full range of light work requires standing or walking, off and on, for a total of approximately 6 hours of an 8-hour workday.

Moderate to severe stenosis is highly representative of an inability to stand for 6 hours or an ability to lift up to 20 pounds. This consideration supports finding that Claimant cannot perform light employment.

A physical therapy goal of walking ¼ mile with pain levels no more than 3/10 is highly representative of an inability to stand for 6 hours or an ability to lift up to 20 pounds. This consideration supports finding that Claimant cannot perform light employment.

Claimant also has psychological symptoms, which would further limit her ability to perform any type of employment. Claimant's inability to sort her own medications is persuasive evidence that Claimant would be restricted to performing only the simplest type of employment.

Based on the presented evidence, it is found that Claimant is not capable of performing of light employment. Based on Claimant's exertional work level (sedentary), age (closely approaching advanced age), education (high school- no direct entry into skilled employment), employment history (unskilled), Medical-Vocational Rule 201.12 is found to apply. This rule dictates a finding that Claimant is disabled. Accordingly, it is found that DHS improperly found Claimant to be not disabled for purposes of MA benefits.

It should be noted that a determination of disability does not entitle Claimant to Medicaid eligibility. Claimant must meet other program requirements including residency. It is known that Claimant lived in Ohio at the time of hearing and for some period before the hearing. It appears that Claimant regularly attended treatment in Ohio, though near the Michigan border. DHS should carefully consider Claimant's residency when redetermining Claimant's MA eligibility.

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:

- (1) reinstate Claimant's MA benefit application dated period, including retroactive MA benefits from 2/2013;
- (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: 4/30/2014

Date Mailed: 4/30/2014

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

