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

IN THE MATTER OF:



Reg. No.: 2013-67404 Issue No.: 2009; 4009 Case No.:

Hearing Date: March 3, 2013
County: Wayne (49)

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 3, 2013, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Department of Human Services (DHS) included

<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. On Claimant applied for MA and SDA benefits.
- Claimant's only basis for MA and SDA benefits was as a disabled individual.
- 3. On the Medical Review Team (MRT) determined that Claimant was not a disabled individual (see Exhibits 1-2).

14. On

4. , DHS denied Claimant's application for MA and SDA benefits and mailed a Notice of Case Action informing Claimant of the denial. 5. , Claimant requested a hearing disputing the denial of MA and SDA benefits. 6. , SHRT determined that Claimant was a disabled individual On I beginning , but not a disabled individual for the period of , in part, by application of Medical-Vocational Rule 202.10. , an administrative hearing was held. 7. 8. Claimant presented new medical documents (Exhibits A1-A6) at the hearing. During the hearing, Claimant waived the right to receive a timely hearing 9. decision. 10. During the hearing, Claimant and DHS waived any objections to allow the admission of any additional medical documents considered and forwarded by SHRT. 11. 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. 12. On , SHRT determined that Claimant was disabled, effective in part, based on application of Medical-Vocational Rule 202.01. 13. On , SHRT determined that Claimant was not disabled, for the period of , in part, based on application of Medical-Vocational Rule 202.10.

the Michigan Administrative Hearings System received the hearing

19. As of the date of the administrative hearing, Claimant was a Medicaid recipient

18. Claimant's highest education year completed was the 10th grade.

packet and updated SHRT decision.

and a weight of 190 pounds.

since approximately

15. Claimant is a male who turned 55 years old beginning

16. As of the date of the administrative hearing, Claimant's reported a height of 6'1"

17. Claimant has no known relevant history of alcohol or illegal substance abuse.

 Claimant alleged disability based on impairments and issues including depression, right knee pain, right ankle pain, neck pain and carpal-tunnelsyndrome (CTS).

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).

As noted above, Claimant is an ongoing Medicaid and SDA recipient beginning with the benefit month of the control of the contr

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

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

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

There was no evidence that any of the above circumstances apply to Claimant. Accordingly, Claimant may not be considered for Medicaid eligibility without undergoing

a medical review process which determines whether Claimant is a disabled individual. *Id.* at 2.

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

Substantial gainful activity means a person does the following:

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

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

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

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

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

Claimant denied performing any employment since the date of the MA application; no evidence was submitted to contradict Claimant's testimony. Without ongoing employment, it can only be concluded that Claimant is not performing SGA. It is found that Claimant is not performing SGA; accordingly, the disability analysis may proceed to step two.

The second step in the disability evaluation is to determine whether a severe medically determinable physical or mental impairment exists to meet the 12 month duration requirement. 20 CFR 416.920 (a)(4)(ii). The impairments may be combined to meet the severity requirement. If a severe impairment is not found, then a person is deemed not disabled. *Id*.

The impairments must significantly limit a person's basic work activities. 20 CFR 416.920 (a)(5)(c). "Basic work activities" refers to the abilities and aptitudes necessary to do most jobs. *Id.* Examples of basic work activities include:

- physical functions (e.g. walking, standing, sitting, lifting, pushing, pulling, reaching, carrying, or handling)
- capacities for seeing, hearing, and speaking, understanding; carrying out, and remembering simple instructions
- use of judgment
- responding appropriately to supervision, co-workers and usual work situations; and/or
- dealing with changes in a routine work setting.

Generally, federal courts have imposed a de minimus standard upon claimants to establish the existence of a severe impairment. *Grogan v. Barnhart*, 399 F.3d 1257, 1263 (10th Cir. 2005); *Hinkle v. Apfel*, 132 F.3d 1349, 1352 (10th Cir. 1997). *Higgs v Bowen*, 880 F2d 860, 862 (6th Cir. 1988). Similarly, Social Security Ruling 85-28 has been interpreted so that a claim may be denied at step two for lack of a severe impairment only when the medical evidence establishes a slight abnormality or combination of slight abnormalities that would have no more than a minimal effect on an individual's ability to work even if the individual's age, education, or work experience were specifically considered. *Barrientos v. Secretary of Health and Human Servs.*, 820 F.2d 1, 2 (1st Cir. 1987). Social Security Ruling 85-28 has been clarified so that the step two severity requirement is intended "to do no more than screen out groundless claims." *McDonald v. Secretary of Health and Human Servs.*, 795 F.2d 1118, 1124 (1st Cir. 1986).

SSA specifically notes that age, education, and work experience are not considered at the second step of the disability analysis. 20 CFR 416.920 (5)(c). In determining whether Claimant's impairments amount to a severe impairment, all other relevant evidence may be considered. The analysis will begin with a summary of the relevant submitted medical documentation.

A radiological report (Exhibit 17) dated was presented. It was noted that views of Claimant's bilateral AC joints were taken. An impression of mild arthritis was noted.

A radiological report (Exhibit 18) dated was presented. It was noted that views of Claimant's right shoulder were taken. An impression of mild arthritis of the AC joint was noted.

Various medical treatment documents (Exhibits 23-24) dated were presented. It was noted that Claimant reported shoulder pain; restricted ranges of shoulder motion were noted. It was noted that Claimant's thoracic spine showed abnormalities. It was noted that Claimant needed an MRI on his shoulder to determine if he had a rotator cuff tear.

A radiology report (Exhibit A2) dated was presented. It was noted that views were taken of Claimant's cervical spine. An impression of "significant" degenerative changes was noted at C6-C7, with loss of disc height and anterior and posterior spurring. Mild degenerative changes were noted "of the rest" of the cervical spine.

Treating physician notes (Exhibits 22-23) dated were presented. A hernia was noted on Claimant's abdomen; it was noted that Claimant reported that the hernia was painful. It was noted that Claimant would be given a truss until he could afford hernia surgery.

A Medical Examination Report (Exhibits 8-10) dated physician was presented. Claimant's physician noted an approximate 2 month history of treating Claimant. Claimant's physician provided diagnoses of joint pain, cervical spondylosis, right knee surgery, and phlebitis. An impression was given that Claimant's condition was deteriorating. It was noted that Claimant could frequently lift up to 10 pounds and occasionally up to 25 pounds. Claimant's physician restricted Claimant, per 8 hour workday, to sitting of less than 6 hours and standing of less than 2 hours. Claimant was noted to be restricted from performing right-side repetitive actions. It was noted that Claimant can meet household needs. It was noted that Claimant's education limited his concentration, reading/writing, social interaction, and memory.

A Psychiatric/Psychological Examination Report (Exhibits 11-13) dated was presented. The form was completed by a social worker with no history of treating Claimant. A history of alcohol abuse was noted. Noted observations included: anhedonia, constricted affect, clear speech, no psychosis or hallucinations, orientation x3, symptoms of social withdrawal, poor insight, and poor judgment. It was noted that a patient health questionnaire and GAD 7 demonstrated significant signs of major depression and anxiety levels. Claimant's GAF was noted to be 40.

A Mental Residual Functional Capacity Assessment (Exhibits 14-15) dated was presented. The assessment was completed by the social worker who completed Claimant's evaluation on . This form lists 20 different work-related activities among four areas: understanding and memory, sustained concentration and persistence, social interaction and adaptation. A therapist or physician rates the patient's ability to perform each of the 20 abilities as either "not significantly limited", "moderately limited", "markedly limited" or "no evidence of limitation". Claimant was not found to have any marked restrictions. It was noted that anti-depressants may improve Claimant's performance. Naprosyn and Tramadol were noted as prescribed on (see Exhibit 18).

Treating physician notes (Exhibits 20-22) dated were presented. It was noted that Claimant was psychiatrically hospitalized in and that he has self-medicated with alcohol since.

A physical examination report (Exhibits 34-40) dated was presented. The report was completed by a consultative examiner with no history of treating Claimant. An assessment noted that Claimant has cervical spondylosis at C6-C7. A reducible left inguinal hernia was noted. The examiner determined that Claimant has a right shoulder rotator cuff tear. Restricted ranges of motion were noted in Claimant's cervical spine and lumbar spine. No restrictions on activities were noted.

A rehabilitation center document (Exhibit S6) dated was presented. The document was signed by a physician who noted an "internal derangement" of Claimant's right knee.

Claimant stated that he wears braces on his hand, presumably due to CTS. Restrictions based on CTS were not established by medical records.

Claimant testified that he has walking and lifting restrictions. Claimant also testified that neck pain, right knee pain, and right ankle pain adversely affected his ability to work. Claimant testified that he is unable to lift his grandchild who weighs 38-40 pounds. Claimant also testified that he has depression. Claimant's testimony was consistent with the presented medical evidence.

It is found that Claimant has significant restrictions to performing basic work activities, for the period of the continue. Accordingly, Claimant has severe impairments and the disability analysis may continue

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 dysfunction (Listing 1.02) was considered based on Claimant's complaints of knee pain. The listing was summarily rejected due to a lack of radiology and a failure to verify that Claimant has the inability to ambulate effectively.

A listing for spinal disorders (Listing 1.04) was considered based on Claimant's LBP complaints. This listing was rejected due to a failure to establish a spinal disorder resulting in a compromised nerve root.

A listing for affective disorder (Listing 12.04) was considered based on diagnoses of depression. This listing was rejected due to a failure to establish marked restrictions in social functioning, completion of daily activities or concentration. It was also not established that Claimant required a highly supportive living arrangement, suffered

repeated episodes of decompensation or that the residual disease process resulted in a marginal adjustment so that even a slight increase in mental demands would cause decompensation.

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 his work from the last 15 years includes time spent as a food handler, welder, and banquet server. Claimant testified that all of his past jobs required lifting and standing which he can no longer perform. Claimant's testimony was consistent with the present medical evidence. It is found that Claimant cannot perform his past relevant employment and the analysis may proceed to the fifth and final step.

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. stoopina. 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 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.

Claimant's physician restricted Claimant to frequent lifting up to 10 pounds and occasionally up to 25 pounds. The restriction is consistent with an ability to perform light employment.

Claimant's physician (see Exhibit 9) restricted Claimant, per 8 hour workday, to sitting of less than 6 hours and standing of less than 2 hours. These restrictions are consistent with an inability to perform light employment.

Consideration was given to rejecting the opinions of Claimant's physician based on lack of radiology concerning Claimant's knee problems. A statement of "internal derangement" was presented. Presumably, some radiology (or reliable equivalent) justified the statement concerning Claimant's knee, along with the apparent need for physical therapy.

It was also established that Claimant has some degree of psychiatric restrictions and difficulty in using his right arm due to a torn rotator cuff. Claimant's physician restricted Claimant from performing repetitive actions with his right arm.

Based on the totality of the presented evidence, it is found that Claimant is unable to perform light employment. Based on Claimant's exertional work level (sedentary), age (approaching advanced age), education (less than high school), employment history (not transferrable), Medical-Vocational Rule 201.10 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.

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 disabled for purposes of MA benefits based on application of Medical Vocational Rule 201.10. The analysis and finding applies equally for Claimant's SDA benefit application. It is found that Claimant is a disabled individual for purposes of SDA eligibility and that DHS improperly 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 improperly denied Claimant's application for MA and SDA benefits. It is ordered that DHS:

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

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

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

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Date Signed: <u>5/22/2014</u>

Date Mailed: <u>5/22/2014</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

