

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2013-66856
Issue No.: 2009
Case No.: [REDACTED]
Hearing Date: February 26, 2014
County: Wayne (82)

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 February 26, 2014, from Detroit, Michigan. Participants included the above-named Claimant. [REDACTED] testified and appeared as Claimant's authorized hearing representative. Participants on behalf of the Department of Human Services (DHS) included [REDACTED], Specialist.

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 [REDACTED], Claimant applied for MA benefits, including retroactive MA benefits from [REDACTED].
2. Claimant's only basis for MA benefits was as a disabled individual.
3. On [REDACTED], the Medical Review Team (MRT) determined that Claimant was not a disabled individual (see Exhibits 1-2).

4. On [REDACTED], DHS denied Claimant's application for MA benefits and mailed a Notice of Case Action informing Claimant of the denial.
5. On [REDACTED], Claimant's AHR requested a hearing disputing the denial of MA benefits.
6. On [REDACTED], SHRT determined that Claimant was not a disabled individual, in part, by application of Medical-Vocational Rule 202.20.
7. On [REDACTED] an administrative hearing was held.
8. Claimant presented new medical documents (Exhibits A1-A13) at the hearing.
9. During the hearing, Claimant waived the right to receive a timely hearing decision.
10. During the hearing, Claimant and DHS waived any objections to allow the admission of the yet to be written SHRT decision.
11. On an unspecified date, an Interim Order Extending the Record was mailed to Claimant to allow 30 days from the date of hearing to submit hospital records from [REDACTED].
12. On [REDACTED] following a request for extension by Claimant's AHR, an Updated Interim Order Extending the Record was mailed to Claimant to allow 60 days from the date of hearing to submit hospital records from Sinai-grace.
13. On [REDACTED], Claimant's AHR submitted new medical documents (Exhibits B1-B7).
14. On [REDACTED], an updated hearing packet was forwarded to SHRT.
15. On [REDACTED] SHRT determined that Claimant was not disabled, in part, by application of Medical-Vocational Rule 202.20.
16. On [REDACTED], the Michigan Administrative Hearings System received the hearing packet and updated SHRT decision.
17. As of the date of the administrative hearing, Claimant was a 35 year old male with a height of 5'3" and weight of 290 pounds.
18. Claimant's highest education year completed was the 12th grade.
19. As of the date of the administrative hearing, Claimant was an Adult Medical Program recipient, since [REDACTED]

20. Claimant alleged disability based on impairments and issues including chronic leg pain, asthma, bipolar disorder and depression.

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 CFR 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 F.2d 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 background information from Claimant's testimony and a summary of the relevant submitted medical documentation.

An Initial Psychiatric Evaluation (Exhibits 36-37) dated [REDACTED] was presented. The evaluation was completed by a psychiatrist, presumably with no history of treating Claimant. It was noted that Claimant had health insurance but no income. It was noted that Claimant was prescribed Risperdol in [REDACTED] after he complained of angry and suicidal thoughts. It was noted that Claimant had been drinking for eight years but that he stopped 1.5 months prior. An Axis I diagnosis of bipolar disorder was noted. Claimant's GAF was noted as 50.

Various therapy Progress Notes (Exhibits 38-42) were presented. On [REDACTED], it was noted that Claimant had suicidal and homicidal thoughts. On [REDACTED] it was noted that Claimant had logical and coherent thought process. On [REDACTED], an AIMS score of 0

was noted; it was also noted that Claimant heard voices. On [REDACTED], it was noted that Claimant used a knife on his cousin over a card fight; it was also noted that Claimant hears voices and sees shadows.

Hospital documents (Exhibits 15-26) from an admission dated [REDACTED] were presented. It was noted that Claimant presented with left knee and ankle pain following a fall on ice. It was noted that Claimant suffered a left patellar tendon rupture and maisonneuve fracture. It was noted that Claimant progressed well following physical therapy and occupational therapy. Discharge instructions included cast/splint care, thus, it is presumed that Claimant received a cast or splint for his left leg. It was noted that Claimant was discharged with recommendation to use a walker and to stay non-weight bearing. A follow-up appointment in 1-2 weeks was noted. A discharge date was not stated, but a "Final Report" was noted as being created on [REDACTED].

Hospital documents (Exhibits 27-30; A10-A13) from an admission dated [REDACTED] were presented. It was noted that Claimant reported numbness and tingling since using crutches; ulnar neuropathy was referenced, presumably as a diagnosis. Noted impressions included asthma, bipolar disorder, neuropathy associated with using crutches, and lingering knee pain from a recent fall. It was noted that Claimant could not receive physical therapy due to a lack of insurance. It was noted that Claimant was given albuterol and Symbicort.

Various psychological treatment notes (Exhibits A1-A4) were presented. On [REDACTED], it was noted that Claimant was verbally abusive and agitated. On [REDACTED], it was noted that Claimant was sleepy during the day, and therefore could not work; it was also reported that Claimant reported wanting to set fire to a girl's car because she talked down to him. On [REDACTED], it was noted that Claimant was feeling irritable. On [REDACTED], it was noted that Claimant reported sometimes feeling depressed.

Primary care center documents (Exhibits A5-A9) dated [REDACTED] were presented. It was noted that Claimant reported worsening shortness of breath and cough refills on medications. Noted prescriptions included the following: acetaminophen-Hydrocodone, albuterol, Symbicort, citalopram, doxycycline, and prednisone. It was noted that Claimant reported 9/10 knee pain. Claimant's muscle strength was noted as normal. Normal motor function was noted. It was noted that Claimant was given antibiotics for reported wheezing. It was noted that Claimant's pain meds were refilled. A follow-up in 2 months was noted.

Primary care center documents (Exhibits B1-B4) dated [REDACTED] were presented. It was noted that Claimant reported complaints of wheezing and a night-time cough. It was noted that Claimant was an ongoing smoker. Hypertension was noted as newly diagnosed. It was noted that Claimant used inhalers less frequently than prescribed.

Primary care center documents (Exhibits B5-B7) dated [REDACTED] were presented. It was noted that Claimant reported for medication refills. It was noted that Claimant received

Vicodin, Tramadol for knee pain; referrals for orthopedic surgery and physical therapy were noted.

Claimant testified that he has walking and lifting restrictions due to leg pain. Claimant also testified that he has difficulty with social interactions due to psychological problems. Claimant's testimony was consistent with the presented evidence. The medical evidence also established that Claimant's restrictions have lasted since [REDACTED], the first month that Claimant seeks MA benefits. It is found that Claimant has severe impairments 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 joint dysfunction (Listing 1.02) was considered based on Claimant's complaints of knee pain. The listing was rejected due to a failure to establish that Claimant cannot effectively ambulate.

A listing for affective disorder (Listing 12.04) was considered based on diagnoses of bipolar disorder. There was evidence suggestive of social difficulties for Claimant. The listing was rejected due to a failure to establish marked restrictions in 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 he has not held a full-time job since he was 17 years old. Claimant also testified that his only job in the last 15 years was when he worked part-time for two years as a custodian; presumably, Claimant's part-time employment was for less than SGA. Without any past relevant employment, it can only be found that Claimant cannot return to perform past relevant 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 non-exertional. 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 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 testified that knee pain restricts him to walking of only one block. Medical records did not directly address Claimant's abilities.

There was no evidence of that Claimant has muscle loss or neurological deficit. This is generally consistent with finding that Claimant can perform sedentary employment.

Medical records verified that Claimant suffers asthma. The diagnosis likely imposes minimal restrictions on Claimant's work abilities, but not to preclude Claimant's ability to perform sedentary employment.

It is known that Claimant suffered a traumatic leg injury in [REDACTED]. Medical records also documented that Claimant's healing progress may be impaired by his inability to obtain ongoing physical therapy. Medical records verified that Claimant takes fairly strong pain medications for knee pain. This evidence was indicative that Claimant has ambulation restrictions which would make the performance of sedentary employment to be difficult.

It was established that use of crutches led to ulnar neuropathy. This is a neuropathy understood to address affect Claimant's arm and hand function. Neither the severity nor the duration of neuropathy was established.

It was verified that Claimant has a history of bipolar disorder. Claimant also verified a history of anti-social, angry and violent behavior. Based on Claimant's treatment history, Claimant would have serious difficulties performing employment requiring social interactions.

The combination of Claimant's physical and psychological disorders would make the performance of sedentary employment to be improbable. It is found that Claimant is a disabled individual and that DHS improperly denied Claimant's MA application.

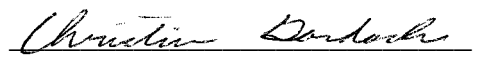
It should be noted that Claimant's condition is expected to improve once Claimant can obtain physical therapy. It is likely that Claimant's AMP eligibility was upgraded to Healthy Michigan Plan eligibility, beginning [REDACTED]. HMP will likely cover needed physical therapy. Thus, following redetermination, it is reasonably possible that Claimant's condition will improve to the point where the combination of impairments would not prevent the performance of sedentary employment.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law finds that DHS improperly denied Claimant's application for MA benefits. It is ordered that DHS:

- (1) reinstate Claimant's MA benefit application dated [REDACTED] including retroactive MA benefits from [REDACTED]
- (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: 7/11/2014

Date Mailed: 7/11/2014

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

cc:

