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

IN THE MATTER OF:



Reg. No.: 14-003647 Issue No.: 2009

Case No.:

Hearing Date: September 3, 2014

County: Wayne (57)

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 September 3, 2014, from Detroit, Michigan. Participants included the above-named Claimant.

testified and appeared as Claimant's authorized hearing representative (AHR). Participants on behalf of the Department of Human Services (DHS) included.

ISSUE

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 SDA and MA benefits, including retroactive MA benefits from 7/2013.
- 2. 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 7-8).

- 4. On the part of the denied Claimant's application for MA and SDA benefits and mailed a Notice of Case Action informing Claimant of the denial.
- 5. On SDA benefits.
- 6. On SHRT determined that Claimant was not a disabled individual, in part, by determining that Claimant can perform past relevant employment (See Exhibit 179).
- 7. As of the date of the administrative hearing, Claimant was a 54 year old male with a height of 5'7" and weight of 119 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.
- 10. As of the date of the administrative hearing, Claimant received ongoing health insurance since 4/2014.
- 11. Claimant alleged disability based on impairments and issues including speech impairment, fatigue, ulcerative colitis, and Raynaud's syndrome.

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.*, p. 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.*, p. 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. The 2014 monthly income limit considered SGA for non-blind individuals is \$1,070.

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*.

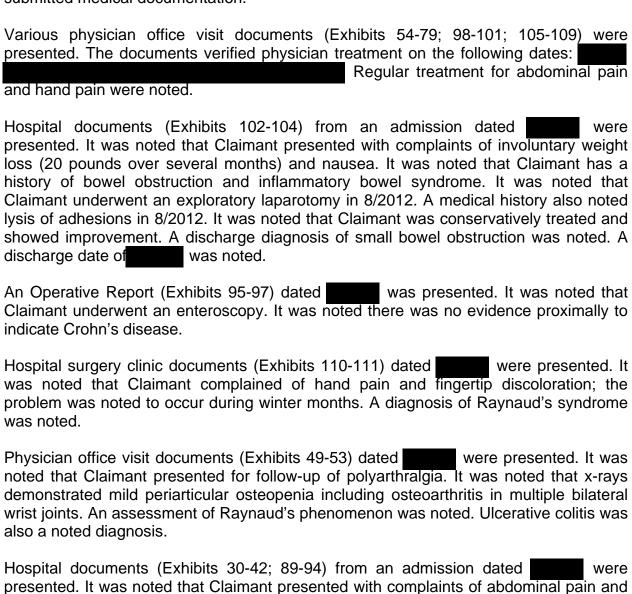
The impairments must significantly limit a person's basic work activities. 20 CFR 416.920 (a)(5)(c). "Basic work activities" refers to the abilities and aptitudes necessary to do most jobs. *Id.* Examples of basic work activities include:

- 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.



nausea. Marked abdominal distention was noted. A history of Crohn's disease was noted. It was noted that Claimant was at risk for bowel obstructions due to a history of adhesions and multiple bowel surgeries. A discharge diagnosis of small bowel

was noted.

obstruction was noted. A discharge date of

Hospital documents (Exhibits 14-25) from an admission dated were presented. It was noted that Claimant presented with complaints of ongoing abdominal pain, nausea and vomiting. Claimant was admitted for observation of ileus. It was noted that Claimant was conservatively treated. Abdominal radiology revealed probable small bowel obstruction. It was noted that Claimant's condition improved and that he tolerated a liquid diet. A discharge diagnosis of ulcerative colitis was noted. A discharge date of was noted.

Other physician documents and hospital encounters from 2012 and 2013 were presented. The documents were only notable for being consistent with other summarized documents.

Claimant alleged disability, in part, based on epilepsy. Claimant's physician indicated that Claimant had no recent documented seizures (see Exhibit 27). Due to Claimant's lack of recent seizures, there is no basis for finding that Claimant is severely impaired due to epilepsy.

Claimant testified that he has 15-20 bowel movements per day. Claimant testified that his bowel movements are so frequent and sudden that he is sometimes unable to make it to a bathroom. Claimant testified that he has vomited so often over the past few months that he has lost the majority of his teeth due to stomach acid lingering in his mouth. Claimant testified that he is limited in walking and lifting as a result of lingering abdominal pain and fatigue. Claimant's testimony was consistent with presented records which verified a long and complicated history involving bowel obstruction, ileus, and Crohn's disease.

Claimant testified that his wrists and hands hurt, particularly in cold weather. Claimant's testimony was consistent with presented records which verified osteopenia and Raynaud's syndrome.

Presented medical records established that Claimant's walking and lifting/carrying restrictions have lasted since 7/2013, the first month that Claimant seeks MA benefits. It is found that Claimant has 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 joint dysfunction (Listing 1.02) was considered based on diagnoses for arthritis and osteopenia. The listing was rejected due to a failure to establish that Claimant is unable perform fine and gross movements.

A listing for loss of speech (Listing 2.09) was considered based on Claimant's relatively poor speech. Claimant credibly testified that his speech has been impaired since he suffered epileptic seizures as a child. The listing was rejected due because Claimant's speech is hard to understand, but it can be heard, understood, and sustained.

A listing for hearing loss (Listings 2.10 and 2.11) were considered based on Claimant's physician's statement that Claimant has hearing loss. The listing was rejected due to a failure to verify the degree of hearing loss.

Digestive disorder listings (Listings 5.00) were considered based on diagnoses of ileus, Crohn's disease, and small bowel obstruction. Claimant presented insufficient evidence that he meets any digestive disorder listing.

A listing for Raynaud's disease (Listing 14.04 (c)) was considered based on multiple diagnoses for the disease. The listing was rejected due to a failure to verify gangrene, ischemia, an inability to perform fine and gross movements, or an inability to ambulate effectively.

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 worked as a mail clerk from 1998-2013. Claimant testified that his duties required him to stand all day and perform some lifting likely exceeding 10 pounds. Claimant testified that he is unable to perform the lifting and standing required of past employment. Claimant's testimony was credible and consistent with presented documents. It is found that Claimant is unable to 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. Claimant presented multiple documents from his treating physician concerning physical restrictions.

A Medical Examination Report (Exhibits 26-28) dated was presented. The form was completed by an internal medicine physician with an approximate 7 year history of treating Claimant. Claimant's physician listed diagnoses of ulcerative colitis, seizure disorder, and Raynaud's phenomenon. An impression was given that Claimant's condition was deteriorating. It was noted that Claimant needed assistance with housekeeping, shopping, laundry, and errands. Bilateral hearing loss was noted. Abdominal tenderness was noted. Claimant's physician opined that Claimant was restricted, over an 8 hour workday, to less than 2 hours of standing and/or walking. Claimant's physician opined that Claimant was restricted from performing repetitive simple grasping, reaching, pulling, pulling, fine manipulating, and operating foot controls.

Claimant's physician completed a Clinical Assessment of Plan (Exhibit 29) dated . It was noted that Claimant's pain was distracting to the point of preventing Claimant from adequate work performance. It was also noted that physical activity greatly increases Claimant's pain. Claimant's physician opined that drug side effects would be severe enough to limit Claimant's effectiveness of work.

Claimant's physician completed a Clinical Assessment of Plan (Exhibit A1) dated. It was noted that Claimant's pain was distracting to the point of preventing Claimant from adequate work performance. It was also noted that physical activity greatly increases Claimant's pain. Claimant's physician opined that drug side effects

would present some limitations but not to the point of creating serious problems in most instances.

A Medical Source Statement of Ability to Do Work-Related Activities (Physical) (Exhibits A2-A7) dated was presented. The document was completed by Claimant's treating physician. It was noted that Claimant was restricted to occasional lifting/carrying of less than 10 pounds. It was noted that Claimant was restricted to 30 minutes of standing and walking over an 8 hour workday. It was noted that Claimant could perform occasional overhead bilateral reaching, pushing/pulling, and fingering. It was noted that Claimant was restricted to occasional stair and ladder climbing. It was noted that Claimant had muscle weakness due to unintentional weight loss. It was noted that Claimant could not utilize public transportation, prepare simple meals, or do his own shopping.

The restrictions cited by Claimant's physician are consistent with an inability to perform light employment. The restrictions were consistent with other records which verified diagnoses of Raynaud's disease and small bowel obstruction. It is found that Claimant is restricted to performing no more than sedentary employment.

Based on Claimant's exertional work level (sedentary), age (approaching advanced age), education (high school), employment history (semi-skilled with no known transferrable skills), Medical-Vocational Rule 201.14 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 201.14. 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 SDA and MA benefits. It is ordered that DHS:

- (1) reinstate Claimant's SDA and MA benefit application dated retroactive MA benefits from 7/2013;
- (2) evaluate Claimant's eligibility for SDA and 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 benefits.

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

Christian Gardocki

Christian Dordock

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

Date Signed: 9/24/2014

Date Mailed: 9/24/2014

CG / hw

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

