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

IN THE MATTER OF:



Reg. No.: 2014-28335

Issue No.: 2009

Case No.:

Hearing Date: July 17, 2014 County: Oakland (04)

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 July 17, 2014, from Pontiac, 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 , Specialist.

<u>ISSUE</u>

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 9/2013.
- 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 6-7).

- 4. On DHS denied Claimant's application for MA benefits and mailed a Notice of Case Action informing Claimant of the denial.
- 5. On Claimant's requested a hearing disputing the denial of MA benefits.
- 6. On SHRT determined that Claimant was not a disabled individual, in part, by determining that Claimant can perform past relevant employment.
- 7. On an administrative hearing was held.
- 8. During the hearing, the record was extended 30 days to allow Claimant to submit Medical Examination Report(s), Medical Needs forms, and/or hospital documents; an Interim Order Extending the Record was subsequently mailed to Claimant.
- 9. Additional documents were not presented.
- 10. As of the date of the administrative hearing, Claimant was a 52 year old female with a height of 5'4" and weight of 209 pounds.
- 11. Claimant has no known relevant history of alcohol or illegal substance abuse.
- 12. Claimant's highest education year completed was the 12th grade, via general equivalency degree.
- 13. As of the date of the administrative hearing, Claimant was a Healthy Michigan Plan recipient since 4/2014.
- 14. Claimant alleged disability based on impairments and issues including dyspnea, congestive heart failure (CHF), recurring headaches, high blood pressure, kidney problems, an undiagnosed liver problem, knee arthritis, neuropathy in feet and right hand, and diabetes mellitus.

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.*, 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.

A Medical-Social Questionnaire (Exhibits 13-15) dated was presented. The form was signed by a self-described patient rep. It was noted that Claimant was "currently" working in customer service. Claimant testified that she worked until 1/2014. A history of Claimant's pays (Exhibits 20-25) through was presented. Claimant's pay history verified that Claimant last received gross earnings exceeding presumptive SGA limits in 5/2009. 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 160-162) from an encounter dated were presented. It was noted that Claimant presented with complaints of abdomen cramping. An impression of constipation was noted.

Hospital documents (Exhibits 80-159) from an admission dated were presented. It was noted that Claimant presented with complaints of left-side chest pain and dyspnea. It was noted that Claimant was admitted for observation. It was noted that chest-x-rays noted no focal airspace disease. It was noted that Claimant underwent a stress test; an ejection fraction of 45% was noted. An impression of moderate degree of reversible ischemia was also noted. It was noted that Claimant has an essentially normal angiogram. A conclusion of non-ischemic cardiomyopathy, likely secondary due to poorly controlled HTN, was noted. Discharge documents were not presented. A discharge date of was noted.

Lab testing results (Exhibit 79) dated were presented. The results were not accompanied by physician analysis.

Lab testing results (Exhibits 75-78) dated were presented. The results were not accompanied by physician analysis.

Hospital documents (Exhibits 70-74) from an encounter dated were presented. It was noted that Claimant presented with complaints of sore throat, body aches, ear pain, and nasal congestion, ongoing for 5 days. Diagnoses of strep throat, acute sinusitis, and acute left otitis were noted. It was noted that Claimant received various medications.

Lab testing results (Exhibits 66-69) dated were presented. The results were not accompanied by physician analysis.

Hospital documents (Exhibits 27-65) from an admission dated were presented. It was noted that Claimant presented with complaints of chest pressure and dyspnea upon exertion, ongoing for one month. Complaints of emesis were also noted. It was noted that Claimant was a diabetic and compliant with her diet. It was noted that Claimant reported some leg swelling; pitting 1+ edema was noted in Claimant's ankles. It was noted that Claimant's extremities had full strength. It was noted that echocardiography estimated an ejection fraction of 40-45%. Echocardiography results also noted milt-to-moderate tricuspal regurgitation which was consistent with mild-tomoderate pulmonary hypertension. Following a myocardial perfusion scan, global hypokinesia and an ejection fraction of 32% was noted. It was noted that a stress test was negative. An impression of possible non-ischemic cardiomyopathy was noted. Other diagnoses included hypertension, diabetes, anemia, acute kidney injury, and acute exacerbation of CHF. Discharge documents were not presented. A discharge date of was noted.

An internal medicine report (Exhibits 175-181) dated was presented. The report was completed by a consultative physician. It was noted that Clamant complained of the following: left shoulder arthritis (ongoing for several years), occasional knee swelling when standing for 1-2 hours. It was noted that Claimant denied shortness of breath though she reported taking many breaks when performing housework. It was noted that Claimant had moderate difficulty with squatting and could not perform heel and toe walk. It was noted that Claimant could pick up a coin. It was noted that an unspecified pulmonary and cardiac examination was unremarkable. It was noted that Claimant had restricted range of dorso-lumbar flexion motion.

Claimant alleged disability, in part, due to neuropathy in hands and feet. It was verified that Claimant had DM. There were no apparent diagnoses of neuropathy within presented records. A consultative examiner noted that Claimant had full hand dexterity (see Exhibit 176). The evidence failed to establish disability based on neuropathy.

Claimant alleged disability, in part, due to an undiagnosed liver problem. When Claimant was hospitalized for one night in 9/2013, a complaint of emesis was noted. Most of the documentation concerned cardiac function. The few references to digestive problems only noted findings that were negative for stomach problems, though a diagnosis of gastritis was noted. The diagnosis is not sufficient to presume that Claimant has a severe impairment.

Claimant alleged disability, in part, due to recurring headaches. Complaints of headache were not apparent. No brain or head radiology was presented. Claimant did not establish a severe impairment related to headaches.

Problems of heart restrictions and back and knee were verified. The problems could cause Claimant to have walking and lifting/carrying restrictions. Claimant's verified restrictions were sufficiently verified to have lasted since at least 9/2013, 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 Claimant's complaints of knee pain. Claimant alleged that she has balance problems which cause her to fall regularly; the testimony was not supported by radiology which only verified mild problems in Claimant's right knee and back. The listing was rejected due to a failure to establish that Claimant is unable 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 chronic pulmonary insufficiency (Listing 3.02) was considered based on Claimant's complaints of dyspnea. The listing was rejected due to a lack of respiratory testing evidence.

A listing for chronic heart failure (Listing 4.02) was considered based on Claimant's low ejection fraction testing. The listing was rejected because of the absence of evidence of the following: inability to perform an exercise test, three or more episodes of acute congestive heart failure or a conclusion that an exercise test poses a significant risk to Claimant's health.

Digestive disorder listings (Listings 5.00) were considered based on complaints of abdominal pain. Claimant presented insufficient evidence that she meets any digestive disorder listing.

A listing for weight loss disorder (Listing 5.08) was considered based on Claimant's testimony. Claimant testified that she lost 82 pounds over a 3 month period. The listing was rejected because it was not established that Claimant's BMI was less than 17.50 on occasions at least two months part, but within six months. The listing was also rejected due to any medical records verifying Claimant's testimony.

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 she has past employment with a department store. Claimant testified that part of her employment history she worked as a personnel assistant. Claimant testified that her duties included running trainings, doing payroll, and running layaway services. Claimant also testified that she worked for the same employer as a cashier manager. Claimant testified that both jobs required approximately two hours of sitting and six hours of standing, per eight hour workday.

Claimant testified that she worked part-time as an assistant to an assistant manager for a retail store. Claimant stated that her job duties included stock and cashier.

Claimant testified that she is unable to perform the lifting/carrying required of her past employment. Claimant's testimony was credible and consistent with the presented evidence. It is found that Claimant cannot perform her 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. 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 testified that she has very concerning symptoms and problems. Claimant testified that digestive problems caused an involuntary 82 pound weight loss over 3 months. Claimant testified that she receives injections in her foot for pain. Claimant testified that she cannot walk half of a block before losing her breath. Claimant testified that she sometimes requires use of a cane. Claimant testified she frequently falls; Claimant testified that she fell twice in a day close in time to the hearing date. Claimant testified that she needs help getting out of the shower. Claimant's testimony was generally not consistent with presented records.

A consultative examiner noted that Claimant's right and left knee flexion were restricted. An x-ray report of Claimant's right knee noted minimal degenerative changes on lateral condyles; an x-ray report of Claimant's left knee was negative. Restricted ranges of motion and mild degenerative changes are somewhat suggestive of an inability to perform light employment, though negative radiology of Claimant's left knee is not.

Hospital records were slightly more supportive of a finding that Claimant could not perform light employment. A diagnosis of pulmonary hypertension is very suggestive of recurring dyspnea. Claimant's ejection fraction, though not low enough to meet a SSA listing, is likely to cause Claimant to lose her breath upon any notable exertion.

A finding that Claimant is restricted to light employment has two obstacles. First, Claimant denied dyspnea complaints at a consultative examination. This was not a compelling denial because Claimant also noted that she has to take many rests when performing light cleaning.

Another obstacle to a finding of light employment is that Claimant did not present evidence of physician restrictions. This absence is notable because Claimant had access to a personal care physician since 4/2014, when she began receiving HMP benefits. In fact, the record was extended for the sole purpose of submitting such evidence. Claimant failed to submit any documents despite an extension of time.

Despite the absence of additional documents, the records were sufficient that Claimant is unlikely to maintain light employment. It is found that Claimant is restricted to performing sedentary employment.

Based on Claimant's exertional work level (sedentary), age (approaching advanced age), education (high school equivalency without direct entry into skilled employment), 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.

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 including retroactive MA benefits from 9/2013;
- (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

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Date Signed: <u>9/24/2014</u>

Date Mailed: 9/24/2014

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

