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

IN THE MATTER OF:



Reg. No.: 14-011211

Issue No.: 4009

Case No.:

Hearing Date: December 3, 2014

County: Wayne (55)

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 December 3, 2014, from Hamtramck, Michigan. Participants included the above-named Claimant.

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

ISSUE

The issue is whether DHS properly terminated Claimant's State Disability Assistance (SDA) eligibility 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 benefits.
- 2. Claimant's only basis for SDA 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 SDA benefits and mailed a Notice of Case Action (Exhibits 4-5) informing Claimant of the denial.

- 5. On _____, Claimant requested a hearing disputing the denial of SDA benefits (see Exhibits 2-3).
- 6. As of the date of the administrative hearing, Claimant was a 58 year old male with a height of 5'11" and weight of 155 pounds.
- 7. Claimant has no known relevant history of alcohol or illegal substance abuse.
- 8. Claimant's highest education year completed was the 12th grade, via general equivalency degree.
- 9. Claimant alleged disability based on restrictions related to diagnoses of arthritis, Bell's palsy, loss of left eye vision, depression, and anxiety.

CONCLUSIONS OF LAW

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.*

There was no evidence that any of the above circumstances apply to Claimant. Accordingly, Claimant may not be considered for SDA eligibility without undergoing a medical review process (see BAM 815) which determines whether Claimant is a disabled individual. *Id.*, p. 3.

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. As noted above, SDA eligibility is based on a 90 days period of disability.

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

Claimant credibly denied performing any employment since the date of the SDA 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 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 12 month durational period is applicable to MA benefits; as noted above, SDA eligibility requires only a 90 day duration of disability.

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 78-87) from an admission dated were presented. It was noted that Claimant presented with complaints of generalized joint pain, ongoing for 6 months. Neck stiffness was noted during a physical examination; Claimant was given Toradol for neck pain. A discharge date of was noted.

An initial psychosocial report (Exhibits 38-54) dated was presented. The report was completed by a staff person from a treating mental health agency and co-signed by a DNP (doctor of nurse practice). It was noted that Claimant reported problems with crack abuse, alcohol abuse, depression, and anxiety. Reported symptoms included feeling sad, lack of energy, feeling overwhelmed, and controlling emotions. It was noted that Claimant's symptoms were exacerbated by age and loss of employment. Noted

observations of Claimant included the following: orientation x4, intact memory, normal concentration, good judgment, unremarkable thought content, no hallucinations, unremarkable thought process, normal stream of mental activity, unremarkable speech, unremarkable presentation, and appropriate affect. It was noted that Claimant was low risk for suicidal or homicidal thought. It was noted that Claimant independently performed all ADLs.

A Psychiatric Evaluation (Exhibits 55-58) dated was presented. The evaluation was completed by a DNP It was opined that Claimant had fair judgment and fair insight. Diagnoses of major depressive disorder and generalized anxiety disorder were noted. Claimant's GAF was noted as 56.

Orthopedic clinic notes (Exhibits A6-A7) dated were presented. It was noted that Claimant complained of neck stiffness limiting his ability to turn his head. A pain level of 7/10 was reported. Upper extremity tingling was also reported by Claimant. Neck range of motion was noted as limited in all directions. A plan of a cervical MRI was noted. A lumbar x-ray report (Exhibit A11) noted facet hypertrophy at L4-L5 and mild artherosclerotic changes.

Physician office visit documents (Exhibits 72-73) dated were presented. Assessments of neck stiffness, general osteoarthritis, depression and tobacco abuse were noted.

A cervical spine MRI report (Exhibits 88-89) dated was presented. An impression of moderate bilateral neural foraminal stenosis at C3-C4, C4-C5, and C5-C6 was noted. Moderate left-side stenosis was also noted at C6-C7 and C7-T1. Spinal canal stenosis and cord compression were noted as absent.

Orthopedic clinic notes (Exhibits A4-A5) dated were presented. It was noted that recent MRI results were discussed. A plan of corrective osteotomy was discussed. It was noted that Claimant declined a surgery option.

A Psychiatric/Psychological Examination Report (Exhibits 33-35) dated was presented. The form was completed by a case manager with an approximate 6 month history with Claimant. The form was co-signed by a doctor of nurse practice. Diagnoses of major depressive disorder and generalized anxiety disorder were noted. Claimant's GAF was noted to be 56.

A Mental Residual Functional Capacity Assessment (Exhibits 36-37) dated was presented. The form was completed by a case manager with an approximate 6 month history with Claimant. The form was co-signed by a DNP. 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 found markedly restricted in performing activities within a schedule and maintaining attendance and punctuality, and completing a normal workday without psychological symptom interruption. Claimant was found moderately restricted in 17/18 remaining abilities, which included understanding 1-2 step instructions, carrying out 1-2 step instructions, working in coordination with others without becoming a distraction, and getting along with others without being a distraction.

Physician office visit documents (Exhibits 71-72) dated were presented. Physical examination findings noted back muscle spasms. A diagnosis of chronic nonmalignant pain was noted.

A Medical Examination Report (Exhibits 8-10) dated was presented. The form was completed by a family medicine physician with an approximate 7 month history of treating Claimant. Claimant's physician listed diagnoses of depression, chronic pain syndrome, cervical back pain, left eye blindness, osteoarthritis, and substance abuse. An impression was given that Claimant's condition was stable. It was noted that Claimant can meet household needs.

Physician office visit documents (Exhibits 11-13) dated were presented. Chronic pain syndrome and lumbago were noted as active problems. It was noted that Claimant was an active smoker. Active medications included the following: Naprosyn, amitriptyline, Ultram, and cyclobenzaprine.

A mental status examination report (Exhibits 16-19) dated was presented. The report was authored by a consultative licensed psychologist. A history of alcohol abuse was noted. It was noted that Claimant attended substance rehabilitation. It was noted that Claimant reported the following: ongoing neck pain, no previous psychiatric hospitalization history, no hallucinations, insomnia, and getting along well with others. Notable observations of Claimant included the following: accurate historian, adequate contact with reality, logical, and goal directed. A diagnosis of adjustment disorder with mixed emotional features was noted.

An internal medicine examination report (Exhibits 20-27) dated was presented. The report was noted as completed by a consultative physician. It was noted that Claimant reported a history of left eye blindness, arthritis, neck pain, finger pain, and spondylitis of the spine. It was noted that Claimant did not require a cane. It was noted that Claimant last used crack cocaine in 5/2013 It was noted that spine curvature preventing laying head on the examination table. All neck motions were noted as subnormal. Lumbar flexion, bilateral shoulder abduction, bilateral shoulder forward flexion, and hip forward flexion were noted as subnormal. Range of neck and shoulder motion was noted. Slow performance of tandem walk, heel walk, and tow walk were noted. An impression of left eye blindness and arthritis was noted. It was noted that Claimant was able to perform all 23 listed work-related activities; listed activities included: sitting, standing, lifting, carrying, stooping, bending, and reaching.

Claimant testified that he had difficulty with bending and lifting/carrying due to neck stiffness. Claimant's testimony was consistent with diagnoses of osteoarthritis and neck stiffness caused by foraminal stenosis at multiple cervical spine disc spaces.

Presented documents sufficiently verified that Claimant's problems have persisted for longer than 90 days and at least since Claimant's application date. It is found that Claimant established a severe impairment and the analysis may proceed to step three.

The third step of the sequential analysis requires a determination whether the Claimant's impairment, or combination of impairments, is listed in Appendix 1 of Subpart P of 20 CFR, Part 404. 20 CFR 416.920 (a)(4)(iii). If Claimant's impairments are listed and deemed to meet the 12 month requirement, then the claimant is deemed disabled. If the impairment is unlisted, then the analysis proceeds to the next step.

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

A listing for visual acuity (Listing 2.02) was considered based on Claimant's left eye vision loss. This listing was rejected due to a failure to establish a corrected eyesight of worse than 20/200 in Claimant's worst eye.

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 he worked as a press operator for a textile plant from 2000-2008. Claimant also testified that he was laid-off but returned to employment for approximately 1 ½ months in 2012 before getting laid-off again. Claimant testified that arthritis prevents him from performing the constant button pushing and bending required of his former employment. Claimant's testimony was credible and consistent with presented documents. It is found that Claimant cannot perform past 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 climbing, handling. stooping, 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 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.

Given Claimant's age, education and employment history a determination of disability is dependent on Claimant's ability to perform medium 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. Medium employment requires comparable standing and walking standards, but with a heavier lifting requirement than light employment.

Physician statements of restrictions were provided. Treating source opinions cannot be discounted unless the Administrative Law Judge provides good reasons for discounting the opinion. *Rogers v. Commissioner*, 486 F. 3d 234 (6th Cir. 2007); *Bowen v Commissioner*.

On Claimant physician provided statements concerning Claimant's credibility (see Exhibits 9-10). Claimant's physician opined that Claimant was restricted as follows over an eight-hour workday, less than 2 hours of standing and/or walking, and less than 6 hours of sitting. Claimant's physician opined that Claimant was restricted from performing repetitive left-side fine manipulating and reaching. Claimant was restricted to occasional lifting/carrying of 25 pounds or less, no lifting/carrying of 50 pounds or more. It was noted that stated restrictions were based on Claimant's treatment history.

Claimant did not specify that he had any sitting restrictions though Claimant's physician found sitting restrictions. Some lumbar spine abnormalities were verified by radiology. The restrictions were not sufficiently compelling to justify finding that Claimant is restricted in sitting. This consideration lessens the persuasiveness of provided restrictions.

Claimant testified that he had no standing restrictions. Claimant testified that he was capable of walking 1-2 miles. Generally, an absence of standing restrictions and an ability to walk 1-2 miles is consistent with mild-to-no ambulation restrictions. A restriction of less than 2 hours of standing/walking appears to be inconsistent with Claimant's testimony. This consideration lessens the persuasiveness of provided restrictions.

Restrictions of Claimant's lifting/carrying were consistent with Claimant's multi-level moderate cervical spine stenosis. This consideration is supportive in finding that Claimant may be capable of performing light employment, but substantially less than a full range of medium employment.

It was helpful to Claimant that a consultative examination was performed. Though the consultative physician did not specify that Claimant had restrictions, multiple ranges of motions were noted as limited and ambulation testing was noted as performed slowly. This consideration increases the credibility of Claimant's physician and is suggestive that Claimant has lifting/carrying and ambulation restrictions which would prevent the performance of medium employment.

It is found that Claimant is restricted to performing light employment. Based on Claimant's exertional work level (light), age (approaching advanced age), education (high school with no direct entry into skilled employment), employment history (semi-skilled with no known transferable skills), Medical-Vocational Rule 202.06 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 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 benefits. It is ordered that DHS:

- (1) reinstate Claimant's SDA benefit application dated
- (2) evaluate Claimant's eligibility 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

Christin Dordock

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

Date Signed: 12/12/2014

Date Mailed: 12/12/2014

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 48909-8139

