

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-004973  
Issue No.: MEDICAID - DISABILITY  
Case No.: [REDACTED]  
Hearing Date: October 16, 2014  
County: OAKLAND-DISTRICT 3

**ADMINISTRATIVE LAW JUDGE:** Colleen Lack

**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; 42 CFR 431.200 to 431.250; and 45 CFR 205.10. After due notice, an in-person hearing was held on October 16, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED], the Claimant, and [REDACTED], Authorized Hearing Representative (AHR). Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

During the hearing, Claimant waived the time period for the issuance of this decision, in order to allow for the submission of additional medical evidence. The evidence was received and reviewed.

**ISSUE**

Whether the Department properly determined that Claimant was not disabled for purposes of the Medical Assistance (MA) and/or State Disability Assistance (SDA) benefit programs?

**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 November 21, 2013, Claimant applied for Medicaid (MA-P) and SDA.
2. On March 18, 2014, the Medical Review Team (MRT) found Claimant not disabled.
3. On March 21, 2014, the Department notified Claimant of the MRT determination for the SDA program.

4. On April 3, 2014, the Department confirmed by email to the AHR that MA-P had also been denied.
5. On June 13, 2014, the Department received Claimant's timely written request for hearing.
6. On July 14, 2014, the State Hearing Review Team (SHRT) found Claimant not disabled.
7. Claimant alleged disabling impairments including seizures, pancreatitis, ulcers, PTSD, and panic attacks.
8. At the time of hearing, Claimant was 50 years old with a [REDACTED], birth date; was 5'7.5" in height; and weighed 108 pounds.
9. Claimant completed some college and has a work history including personal trainer, caseworker, property manager, and lifeguard.
10. Claimant's impairments have lasted, or are expected to last, continuously for a period of 12 months or longer.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services Reference Tables Manual (RFT).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, was established by 2004 PA 344. The Department administers the SDA program pursuant to 42 CFR 435, MCL 400.10 *et seq.* and Mich Admin Code, Rules 400.3151 – 400.3180. A person is considered disabled for SDA purposes if the person has a physical or mental impairment which meets federal Supplemental Security Income (SSI) disability standards for at least ninety days. Receipt of SSI benefits based on disability or blindness, or the receipt of MA benefits based on disability or blindness, automatically qualifies an individual as disabled for purposes of the SDA program.

Disability is defined as the inability to do any substantial gainful activity 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). The person claiming a physical or mental disability has the burden to establish it 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 416.913. 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). Similarly, conclusory statements by a physician or mental health professional that an individual is disabled or blind, absent supporting medical evidence, is insufficient to establish disability. 20 CFR 416.927.

When determining disability, the federal regulations require several factors to be considered including: (1) the location/duration/frequency/intensity of an applicant's pain; (2) the type/dosage/effectiveness/side effects of any medication the applicant takes to relieve pain; (3) any treatment other than pain medication that the applicant has received to relieve pain; and (4) the effect of the applicant's pain on his or her ability to do basic work activities. 20 CFR 416.929(c)(3). The applicant's pain must be assessed to determine the extent of his or her functional limitation(s) in light of the objective medical evidence presented. 20 CFR 416.929(c)(2).

In order to determine whether or not an individual is disabled, federal regulations require a five-step sequential evaluation process be utilized. 20 CFR 416.920(a)(1). The five-step analysis requires the trier of fact to consider an individual's current work activity; the severity of the impairment(s) both in duration and whether it meets or equals a listed impairment in Appendix 1; residual functional capacity to determine whether an individual can perform past relevant work; and residual functional capacity along with vocational factors (i.e. age, education, and work experience) to determine if an individual can adjust to other work. 20 CFR 416.920(a)(4); 20 CFR 416.945.

If an individual is found disabled, or not disabled, at any step, a determination or decision is made with no need evaluate subsequent steps. 20 CFR 416.920(a)(4). If a determination cannot be made that an individual is disabled, or not disabled, at a particular step, the next step is required. 20 CFR 416.920(a)(4). If an impairment does not meet or equal a listed impairment, an individual's residual functional capacity is assessed before moving from step three to step four. 20 CFR 416.920(a)(4); 20 CFR 416.945. Residual functional capacity is the most an individual can do despite the limitations based on all relevant evidence. 20 CFR 416.945(a)(1). An individual's residual functional capacity assessment is evaluated at both steps four and five. 20 CFR 416.920(a)(4). In determining disability, an individual's functional capacity to perform basic work activities is evaluated and if found that the individual has the ability to perform basic work activities without significant limitation, disability will not be found. 20 CFR 416.994(b)(1)(iv). In general, the individual has the responsibility to prove disability. 20 CFR 416.912(a). An impairment or combination of impairments is not

severe if it does not significantly limit an individual's physical or mental ability to do basic work activities. 20 CFR 416.921(a). The individual has the responsibility to provide evidence of prior work experience; efforts to work; and any other factor showing how the impairment affects the ability to work. 20 CFR 416.912(c)(3)(5)(6).

As outlined above, the first step looks at the individual's current work activity. In the record presented, the Claimant is not involved in substantial gainful activity. Therefore, Claimant is not ineligible for disability benefits under Step 1.

The severity of the Claimant's alleged impairment(s) is considered under Step 2. The Claimant bears the burden to present sufficient objective medical evidence to substantiate the alleged disabling impairments. In order to be considered disabled for MA purposes, the impairment must be severe. 20 CFR 416.920(a)(4)(ii); 20 CFR 416.920(b). An impairment, or combination of impairments, is severe if it significantly limits an individual's physical or mental ability to do basic work activities regardless of age, education and work experience. 20 CFR 416.920(a)(4)(ii); 20 CFR 416.920(c). Basic work activities means the abilities and aptitudes necessary to do most jobs. 20 CFR 416.921(b). Examples include:

1. Physical functions such as walking, standing, sitting, lifting, pushing, pulling, reaching, carrying, or handling;
2. Capacities for seeing, hearing, and speaking;
3. Understanding, carrying out, and remembering simple instructions;
4. Use of judgment;
5. Responding appropriately to supervision, co-workers and usual work situations; and
6. Dealing with changes in a routine work setting.

*Id.*

The second step allows for dismissal of a disability claim obviously lacking in medical merit. *Higgs v Bowen*, 880 F2d 860, 862 (CA 6, 1988). The severity requirement may still be employed as an administrative convenience to screen out claims that are totally groundless solely from a medical standpoint. *Id.* at 863 *citing Farris v Sec of Health and Human Services*, 773 F2d 85, 90 n.1 (CA 6, 1985). An impairment qualifies as non-severe only if, regardless of a Claimant's age, education, or work experience, the impairment would not affect the Claimant's ability to work. *Salmi v Sec of Health and Human Services*, 774 F2d 685, 692 (CA 6, 1985).

In the present case, Claimant disabling impairments including seizures, pancreatitis, ulcers, PTSD, and panic attacks.

Claimant was hospitalized February 3-8, 2013, for acute duodenal ulcer with perforation, anxiety, urinary tract infection, hyposmolality and or hyponatremia, hypopotassemia, acidosis, peritonitis, and acute respiratory failure following trauma and surgery.

Claimant was hospitalized May 18-19, 2013, for seizure like activity, alcohol abuse, and anxiety.

Claimant was hospitalized July 16-19, 2013, for pancreatitis, leukocytosis, hyponatremia, acute hypokalemia, fatty liver, biliary sludge, B12 deficiency, folate deficiency, cirrhosis, acute abdominal pain, nausea and vomiting, macrocytosis, seizure like activity, alcohol abuse, and anxiety.

Claimant was hospitalized August 10-11, 2013, for pancreatitis and pseudoseizure. Noncompliance with medications and ongoing alcohol use were noted. Claimant left against medical advice on August 11, 2013.

Claimant was hospitalized November 26-30, 2013, for chronic pancreatitis, hypokalemia, gastrointestinal issues, alcohol abuse, nausea and vomiting, pancreatitis, pancreatic mass, and seizure like activity. A special instruction included in the patient discharge summary stated "please stop using alcohol- most likely causing all of your GI problems."

Claimant was hospitalized January 9-14, 2014, for acidosis, liver mass, severe protein-calorie malnutrition, pancreatic lesion, history of seizures, peptic ulcer disease, chronic pancreatitis, fatty liver, and alcohol abuse.

A January 22, 2014, office visit note documented diagnosis and treatment of multiple conditions including alcohol abuse, lower extremity swelling likely secondary to IVF received in the recent hospitalization, electrolyte abnormality, history of peptic ulcer disease with perforated ulcer, evidence of liver disease, chronic pancreatitis/peripancreatic cysts, chronic diarrhea with weight loss likely secondary to pancreatic insufficiency and malnutrition, history of seizures, anemia, and substance abuse.

A February 8, 2014, consultative medical examination documented a history of chronic abdominal pain, perforated duodenal peptic ulcer with surgical repair, pancreatitis and biliary colic, and seizures. Claimant reported chronic abdominal pain since the ulcer repair, weight loss and ongoing seizures. Claimant was able to complete all tasks asked of her during the exam without difficulty. Claimant did not require the use of an assistive device to ambulate. Claimant had an abdominal scar with diffuse tenderness of her abdomen and paravertebral muscle spasms on the left.

A February 10, 2014, consultative psychological evaluation documented a diagnosis of alcohol dependence by history. Claimant's cognitive function was intact. Claimant had some medical complaints. Besides being tired, Claimant had no other major difficulties in terms of functioning on a daily basis. It was stated that Claimant does not suffer from any clinical disorder, such as depression or anxiety.

Claimant was hospitalized March 30, 2014, for abdominal pain secondary to acute pancreatitis, diarrhea, hyponatremia, anemia, pancreatic pseudocysts, increased serum osmolality, chronic alcoholism, nicotine abuse, and seizure activity.

Claimant was seen in the emergency department April 18, 2014, for abdominal pain.

Claimant was hospitalized April 21-22, 2014, for abdominal pain, grand mal seizure, and chronic pancreatitis. Claimant left against medical advice.

A September 5, 2014, abdominal ultrasound showed a 7 mm cystic lesion within/adjacent to the pancreas, prominent gallbladder with gallbladder sludge, and hepatocellular disease.

A September 6, 2014, MRI of the abdomen showed acute pancreatitis involving the head and body of the pancreas, multiple pancreatic cysts, 1.6 mm lesion within the liver, and hepatic steatosis.

Claimant was hospitalized October 5, 2014, for chronic pancreatitis, severe protein-calorie malnutrition, pancytopenia likely secondary to alcohol abuse, and electrolyte imbalance. It was noted that Claimant reported using alcohol, tobacco and marijuana.

As previously noted, Claimant bears the burden to present sufficient objective medical evidence to substantiate the alleged disabling impairment(s). As summarized above, Claimant has presented medical evidence establishing that she does have some limitations on the ability to perform basic work activities. The medical evidence has established that the Claimant has an impairment, or combination thereof, that has more than a *de minimis* effect on the Claimant's basic work activities. Further, the impairments have lasted, or can be expected to last, continuously for twelve months; therefore, the Claimant is not disqualified from receipt of MA-P benefits under Step 2.

In the third step of the sequential analysis of a disability claim, the trier of fact must determine if the Claimant's impairment, or combination of impairments, is listed in Appendix 1 of Subpart P of 20 CFR, Part 404. The evidence confirms recent diagnosis and treatment of multiple conditions, including alcohol abuse, acute and chronic pancreatitis, pancreatic cysts and pseudocysts, seizure like activity, fatty liver, biliary sludge, cirrhosis, abdominal pain, peptic ulcer disease with history of perforated ulcer, gastrointestinal issues, and anxiety.

Based on the objective medical evidence, considered listings included: 5.00 Digestive System, 11.00 Neurological, and 12.00 Mental Disorders. For example, listing 5.08 is

met when there has been weight loss due to any digestive disorder despite continuing treatment as prescribed, with BMI of less than 17.50 calculated on at least two evaluations at least 60 days apart within a consecutive six month period. The October 5, 2014, record indicates a height of 68 inches and a weight of 110 pounds. This would result in a listing level BMI. However, the April 20-22, 2014 records document a weight of 122 pounds, which would be above the listing level BMI. Additionally, compliance with prescribed treatment has been questionable based on the medical records. Overall, the medical evidence was not sufficient to meet the intent and severity requirements of any listing, or its equivalent. Accordingly, the Claimant cannot be found disabled, or not disabled, at Step 3; therefore, the Claimant's eligibility is considered under Step 4. 20 CFR 416.905(a).

Before considering the fourth step in the sequential analysis, a determination of the individual's residual functional capacity ("RFC") is made. 20 CFR 416.945. An individual's RFC is the most he/she can still do on a sustained basis despite the limitations from the impairment(s). *Id.* The total limiting effects of all the impairments, to include those that are not severe, are considered. 20 CFR 416.945(e).

To determine the physical demands (exertional requirements) of work in the national economy, jobs are classified as sedentary, light, medium, heavy, and very heavy. 20 CFR 416.967. 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 (exertional requirements, i.e. sitting, standing, walking, lifting, carrying, pushing, or pulling) are considered nonexertional. 20 CFR 416.969a(a). In considering whether an individual can perform past relevant work, a comparison of the individual's residual functional capacity with the demands of past relevant work. *Id.* If an individual can no longer do past relevant work the same residual functional capacity assessment along with an individual's age, education, and work experience is considered to determine whether an individual can adjust to other work which exists in the national economy. *Id.* Examples of non-exertional limitations or restrictions include difficulty to function 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.*

The evidence confirms recent diagnosis and treatment of multiple conditions, including alcohol abuse, acute and chronic pancreatitis, pancreatic cysts and pseudocysts, seizure like activity, fatty liver, biliary sludge, cirrhosis, abdominal pain, peptic ulcer disease with history of perforated ulcer, gastrointestinal issues, and anxiety. Claimant's testimony indicated she can walk 3-4 minutes, stand 5 minutes, sit 30 minutes, and cannot lift a gallon of milk. Claimant's testimony regarding her limitations is not fully supported by the medical evidence and found only partially credible. For example at the time of the February 2014 consultative examinations, Claimant was able to complete all tasks asked of her without difficulty during the medical examination, she did not require the use of an assistive device to ambulate, and her cognitive function was intact. Severe limitations would be expected at the times of the emergent treatment during the numerous emergency department visits and hospital admissions. However, there is little evidence documenting Claimant's ongoing symptoms and functional limitations outside of these emergent treatment periods. After review of the entire record it is found, at this point, that Claimant maintains the residual functional capacity to perform sedentary work as defined by 20 CFR 416.967(a) on a sustained basis.

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 he/she can perform past relevant work. *Id.*; 20 CFR 416.960(b)(3). 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).

Claimant has a work history including personal trainer, caseworker, property manager, and lifeguard. As described by Claimant, the caseworker job was sedentary exertional level work and involved using a computer. In light of the entire record and Claimant's RFC (see above), it is found that Claimant is able to perform the past relevant work of caseworker. Accordingly, the Claimant is found not disabled, at Step 4.

However, even if the analysis were to continue, Claimant would also be found disabled at Step 5.

In Step 5, an assessment of Claimant's residual functional capacity and age, education, and work experience is considered to determine whether an adjustment to other work can be made. 20 CFR 416.920(4)(v). At the time of hearing, Claimant was 50 years old and, thus, considered to be a younger individual for MA-P purposes. Claimant completed some college and has a work history including personal trainer, caseworker, property manager, and lifeguard. Skills, such as computer use, would be transferable to other types of work. Disability is found if an individual is unable to adjust to other work. *Id.* At this point in the analysis, the burden shifts from the Claimant to the Department to present proof that the Claimant has the residual capacity to substantial gainful employment. 20 CFR 416.960(2); *Richardson v Sec of Health and Human Services*, 735 F2d 962, 964 (CA 6, 1984). 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).

The evidence confirms recent diagnosis and treatment of multiple conditions, including alcohol abuse, acute and chronic pancreatitis, pancreatic cysts and pseudocysts, seizure like activity, fatty liver, biliary sludge, cirrhosis, abdominal pain, peptic ulcer disease with history of perforated ulcer, gastrointestinal issues, and anxiety. As noted above, Claimant maintains the residual functional capacity to perform sedentary work as defined by 20 CFR 416.967(a) on a sustained basis.

After review of the entire record, and in consideration of the Claimant's age, education, work experience, RFC, and using the Medical-Vocational Guidelines [20 CFR 404, Subpart P, Appendix II] as a guide, specifically Rule 201.15, Claimant is found not disabled at Step 5.

Lastly, even if Claimant had been found disabled in the 5 Step sequential evaluation process, such as having a less than sedentary RFC, the materiality of the ongoing alcohol abuse would then have to be considered.

When an individual is found disabled and there is evidence of drug addiction or alcoholism, a determination must also be made as to whether the drug addiction or alcoholism was a contributing factor material to the determination of disability. The key issue is whether the individual would still be found disabled even if drug and/or alcohol use were to stop. 20 CFR 416.935.

The medical records indicate chronic and ongoing alcohol abuse. Overall, the records are not sufficient to show that Claimant's impairments and limitations would have been as severe without the contributing issues from the alcohol abuse.

In this case, the Claimant is also found not disabled for purposes SDA benefits as the objective medical evidence also does not establish a physical or mental impairment that met the federal SSI disability standard with the shortened duration of 90 days. In light of the foregoing, it is found that Claimant's impairments did not preclude work at the above stated level for at least 90 days.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds Claimant not disabled for purposes of the MA and SDA benefit programs.

### **DECISION AND ORDER**

Accordingly, the Department's determination is **AFFIRMED**.



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Colleen Lack  
Administrative Law Judge  
for Nick Lyon, Interim Director  
Department of Human Services

Date Signed: **2/19/2015**

Date Mailed: **2/19/2015**

CL/hj

**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

CC:

