

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-005590  
Issue No.: 2009; 4009  
Case No.: [REDACTED]  
Hearing Date: September 10, 2014  
County: EATON

**ADMINISTRATIVE LAW JUDGE:** Susanne Harris

**HEARING DECISION**

Following the 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, a telephone hearing was held on September 10, 2014, from Lansing, Michigan. Participants on behalf of the Claimant included [REDACTED] and her Authorized Hearing Representatives, [REDACTED] of [REDACTED]. Participants on behalf of the Department of Human Services (Department) included Hearing Coordinator, [REDACTED].

**ISSUE**

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

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. On April 14, 2014, the Claimant applied for MA-P, SDA and retro MA-P.
2. On June 18, 2014, the Medical Review Team denied the Claimant's request.
3. On June 27, 2014, the Claimant submitted to the Department a request for hearing regarding the SDA denial and the Claimant's Authorized Hearing Representative submitted a hearing request regarding the MA-P and retro-MA-P denial on July 10, 2014.
4. [REDACTED], the Claimant is [REDACTED] years old.
6. The Claimant completed education through high school and [REDACTED].

7. The Claimant has employment experience and last worked in [REDACTED] for a [REDACTED].
8. The Claimant's limitations have lasted for 12 months or more.
9. The Claimant suffers from Stage III NASH-nonalcoholic Steatohepatitis, Acute Hepatitis C, liver disease, encephalopathy, ascites, hypobilirubinemia, portal hypertension in grade 1 esophageal varices.
10. The Claimant has significant limitations on physical activities involving standing, walking, lifting, and she also has significant limitations on concentration, memory and cognitive abilities due to her liver disease.

### **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.

The Department conforms to State statute in administering the SDA program.

2000 PA 294, Sec. 604, of the statute states:

Sec. 604. (1) The Department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the supplemental security income citizenship requirement

who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

- (a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.
- (b) A person with a physical or mental impairment which meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

Pursuant to Federal Rule 42 CFR 435.540, the Department uses the Federal Supplemental Security Income (SSI) policy in determining eligibility for disability under MA-P. Under SSI, 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 set order is used to determine disability. Current work activity, severity of impairments, residual functional capacity, past work, age, or education and work experience are reviewed. If there is a finding that an individual is disabled or not disabled at any point in the review, there will be no further evaluation. 20 CFR 416.920.

Medical evidence may contain medical opinions. Medical opinions are statements from physicians and psychologists or other acceptable medical sources that reflect judgments about the nature and severity of the impairment(s), including symptoms, diagnosis and prognosis, what an individual can do despite impairment(s), and the physical or mental restrictions. 20 CFR 416.927(a)(2).

The Administrative Law Judge is responsible for making the determination or decision about whether the statutory definition of disability is met. The Administrative Law Judge reviews all medical findings and other evidence that support a medical source's statement of disability. 20 CFR 416.927(e).

For mental disorders, severity is assessed in terms of the functional limitations imposed by the impairment. Functional limitations are assessed using the criteria in paragraph (B) of the listings for mental disorders (descriptions of restrictions of activities of daily living, social functioning; concentration, persistence or pace; and ability to tolerate increased mental demands associated with competitive work). 20 CFR, Part 404, Subpart P, Appendix 1, 12.00(C).

The residual functional capacity is what an individual can do despite limitations. All impairments will be considered in addition to ability to meet certain demands of jobs in the national economy. Physical demands, mental demands, sensory requirements and other functions will be evaluated. 20 CFR 416.945(a).

To determine the physical demands (exertional requirements) of work in the national economy, we classify jobs as sedentary, light, medium and heavy. These terms have the same meaning as they have in the Dictionary of Occupational Titles, published by the Department of Labor. 20 CFR 416.967.

Pursuant to 20 CFR 416.920, a five-step sequential evaluation process is used to determine disability. An individual's current work activity, the severity of the impairment, the residual functional capacity, past work, age, education and work experience are evaluated. If an individual is found disabled or not disabled at any point, no further review is made.

The first step is to determine if an individual is working and if that work is "substantial gainful activity" (SGA). If the work is SGA, an individual is not considered disabled regardless of medical condition, age or other vocational factors. 20 CFR 416.920(b).

Secondly, the individual must have a medically determinable impairment that is "severe" or a combination of impairments that is "severe." 20 CFR 404.1520(c). An impairment or combination of impairments is "severe" within the meaning of regulations if it significantly limits an individual's ability to perform basic work activities. An impairment or combination of impairments is "not severe" when medical and other evidence establish only a slight abnormality or a combination of slight abnormalities that would have no more than a minimal effect on an individual's ability to work. 20 CFR 404.1521; Social Security Rulings (SSRs) 85-28, 96-3p, and 96-4p. If the Claimant does not have a severe medically determinable impairment or combination of impairments, he/she is not disabled. If the Claimant has a severe impairment or combination of impairments, the analysis proceeds to the third step.

The third step in the process is to assess whether the impairment or combination of impairments meets a Social Security listing. If the impairment or combination of impairments meets or is the medically equivalent of a listed impairment as set forth in Appendix 1 and meets the durational requirements of 20 CFR 404.1509, the individual is considered disabled. If it does not, the analysis proceeds to the next step.

Before considering step four of the sequential evaluation process, the trier must determine the Claimant's residual functional capacity. 20 CFR 404.1520(e). An individual's residual functional capacity is his/her ability to do physical and mental work activities on a sustained basis despite limitations from his/her impairments. In making this finding, the trier must consider all of the Claimant's impairments, including impairments that are not severe. 20 CFR 404.1520(e) and 404.1545; SSR 96-8p.

The fourth step of the process is whether the Claimant has the residual functional capacity to perform the requirements of his/her past relevant work. 20 CFR 404.1520(f). The term past relevant work means work performed (either as the Claimant actually performed it or as is it generally performed in the national economy) within the last 15 years or 15 years prior to the date that disability must be established. If the Claimant has the residual functional capacity to do his/her past relevant work, then the Claimant is not disabled. If the Claimant is unable to do any past relevant work or does not have any past relevant work, the analysis proceeds to the fifth step.

In the fifth step, an individual's residual functional capacity is considered in determining whether disability exists. An individual's age, education, work experience and skills are used to evaluate whether an individual has the residual functional capacity to perform work despite limitations. 20 CFR 416.920(e).

Here, the Claimant has satisfied requirements as set forth in steps one, two and three of the sequential evaluation. However, the Claimant's impairments do not meet a listing as set forth in Appendix 1, 20 CFR 416.926. Therefore, vocational factors will be considered to determine the Claimant's residual functional capacity to do relevant work.

In the present case, the Claimant has been diagnosed with Stage III NASH-non-alcoholic Steatohepatitis, Acute Hepatitis C, liver disease, encephalopathy, ascites, hypobilirubinemia, portal hypertension in grade 1 esophageal varices. The Claimant has a number of symptoms and limitations, as cited above, as a result of these conditions. The Claimant testified that she can only stand 15 to 20 minutes at a time. She can only sit for a half an hour at a time and can only walk less than half a mile. The Claimant testified that the heaviest weight she can carry 25 pounds.

On [REDACTED], the Claimant was admitted into the hospital because she was actually jaundiced. She was not discharged until [REDACTED]. During the hospitalization she was diagnosed with Acute Hepatitis C. Her Hepatitis C virus antibody was positive and for HCV RNA and was also positive by report with a viral load of 96,288 international units per ml. During the hospitalization appears that the Claimant was also quite encephalopathic. During the hospitalization, the Claimant underwent an upper endoscopy which showed small grade 1 esophageal varices. She had an MRI of the abdomen on [REDACTED]. That showed evidence of cirrhosis, mild ascites in the upper abdomen, normal pancreas, spleen, adrenal glands and kidneys.

Two weeks before her hospitalization she started feeling very fatigued, nauseous and had upper abdominal discomfort. On [REDACTED], the Claimant's treating physician reported that the Claimant has a history of non-alcoholic steatohepatitis with evidence of at least bridging fibrosis based on liver biopsy that was in [REDACTED], which is now been complicated by Acute Hepatitis C, superimposed on chronic underlying liver disease with evidence of decompensation. The Claimant's treating physician indicates that she would be further evaluated for liver transplant. As late as [REDACTED], the

Claimant continued to complain to her treating physician that she has a lot of fatigue, anxiety and difficulty sleeping.

The fourth step of the analysis to be considered is whether the Claimant has the ability to perform work previously performed by the Claimant within the past 15 years. The trier of fact must determine whether the impairment(s) presented prevent the Claimant from doing past relevant work. In the present case, the Claimant's past employment was [REDACTED]. This required the Claimant to be standing and walking the great majority of her shift. Before that she was a [REDACTED]. The Claimant testified that she can no longer do these jobs due to her diminished thought processes which would interfere with her ability to distribute medications. Therefore, the Claimant's impairments prevent the Claimant from being able to perform the duties for such positions. This Administrative Law Judge finds, based on the medical evidence and objective, physical, that the Claimant is not capable of the physical or mental activities required to perform any such position. 20 CFR 416.920(e).

In the final step of the analysis, the trier of fact must determine if the Claimant's impairment(s) prevent the Claimant from doing other work. 20 CFR 416.920(f). This determination is based upon the Claimant's:

1. residual functional capacity defined simply as "what can you still do despite your limitations?" 20 CFR 416.945;
2. age, education, and work experience, 20 CFR 416.963-965; and
3. the kinds of work which exist in significant numbers in the national economy which the Claimant could perform despite her limitations. 20 CFR 416.966.

The residual functional capacity is what an individual can do despite limitations. All impairments will be considered in addition to ability to meet certain demands of jobs in the national economy. Physical demands, mental demands, sensory requirements and other functions will be evaluated. 20 CFR 416.945(a).

To determine the physical demands (exertional requirements) of work in the national economy, we classify jobs as sedentary, light, medium and heavy. These terms have the same meaning as they have in the Dictionary of Occupational Titles, published by the Department of Labor. 20 CFR 416.967.

Sedentary work. Sedentary work involves lifting no more than 10 pounds at a time and occasionally lifting or carrying articles like docket files, ledgers, and small tools. 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. Jobs are sedentary if walking and standing are required occasionally and other sedentary criteria are met. 20 CFR 416.967(a).

Light work. Light work involves lifting no more than 20 pounds at a time with frequent lifting or carrying of objects weighing up to 10 pounds. Even though the 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. 20 CFR 416.967(b).

Medium work. Medium work involves lifting no more than 50 pounds at a time with frequent lifting or carrying of objects weighing up to 25 pounds. If someone can do medium work, we determine that he or she can also do sedentary and light work. 20 CFR 416.967(c).

Heavy work. Heavy work involves lifting no more than 100 pounds at a time with frequent lifting or carrying of objects weighing up to 50 pounds. If someone can do heavy work, we determine that he or she can also do medium, light, and sedentary work. 20 CFR 416.967(d).

See *Felton v DSS* 161 Mich App 690, 696 (1987). Once the Claimant makes it to the final step of the analysis, the Claimant has already established a *prima facie* case of disability. *Richardson v Secretary of Health and Human Services*, 732 F2d 962 (6<sup>th</sup> Cir, 1984). Moving forward, the burden of proof rests with the State to prove by substantial evidence that the Claimant has the residual function capacity for SGA.

Though there is a plethora of medical records in evidence, there is very little objective, medical evidence in the record regarding the Claimant's physical limitations. The Administrative Law Judge was ask to extend the record until [REDACTED] for receipt of two DHS-49, Medical Examination Reports completed by the Claimant's treating physicians, detailing exactly what the Claimant's physical limitations were. These documents were never submitted and the record closed without them. During the hearing, the Claimant Authorized Hearing Representative conceded that the Claimant could possibly do sedentary work. This Administrative Law Judge finds that the Claimant has the residual functional capacity to perform work at no more than a sedentary level.

During the hearing, the Claimant's Authorized Hearing Representative argued that the Claimant should be determined to be disabled under the vocational rule of 201.10. This argument was not persuasive to the Administrative Law Judge, because the Claimant testified during the hearing that she has a [REDACTED] Vocational rule 201.10 addresses a limited education, or less. It therefore does not apply to the Claimant.

The Claimant is an individual age [REDACTED] 20 CFR 416.963. The Claimant has a high school education. 20 CFR 416.964. The Claimant's previous work was semiskilled and transferable. Federal Rule 20 CFR 404, Subpart P, Appendix 2, contains specific profiles for determining disability based on residual functional capacity and vocational profiles. Under Table I, Rule, 201.15, the Claimant is not disabled for purposes of the Medical Assistance and State Disability Assistance programs.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds the Claimant not disabled for purposes of the MA-P benefit program.

Accordingly, it is ORDERED: The Department's determination is **AFFIRMED**.



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

Date Signed: **11/3/2014**

Date Mailed: **11/3/2014**

**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 Claimant;
- 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

SEH / tb

cc:

