

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

**IN THE MATTER OF:**



Reg. No.: 14-009491  
Issue No.: 4009  
Case No.: [REDACTED]  
Hearing Date: October 02, 2014  
County: GRAND TRAVERSE

**ADMINISTRATIVE LAW JUDGE: Susanne Harris**

**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, a telephone hearing was held on October 2, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Human Services (Department) included Eligibility Specialist, [REDACTED] and Assistance Payments Supervisor, [REDACTED].

Whether the Department properly determined that Claimant was no longer disabled and denied his review application for State Disability Assistance (SDA) based upon medical improvement?

**FINDINGS OF FACT**

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

1. Claimant was an SDA benefit recipient and his case was scheduled for review in May, 2014.
2. On August 4, 2014, the Medical Review Team denied the Claimant's review application indicating that the Claimant was denied for continuing eligibility.
3. On August 4, 2014, the Department sent the Claimant notice that his SDA case would be closed based upon medical improvement.
4. On August 13, 2014, the Claimant filed a request for a hearing to contest the Department's negative action.
5. Claimant was receiving SDA at the time of this review.

6. Claimant alleges his disabling impairments are partial deafness, bulging lumbar disc, sciatica, lumbar radiculopathy, uncontrolled diabetes, diabetic neuropathy, chronic back pain, essential tremor, sleep apnea, insomnia, hypertension, hyperlipidemia and depression which has greatly worsened in the last year. The Claimant testified that he attempted suicide by putting a gun to his head in the last year.
7. Claimant is a [REDACTED]-year-old man.
8. Claimant is 6'10" tall and weighs 253 pounds.
9. Claimant has a [REDACTED].
10. Claimant last worked in [REDACTED]

#### **CONCLUSIONS OF LAW**

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department of Human Services (DHS or Department) administers the SDA program pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, Rules 400.3151-400.3180. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or Department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

Pursuant to the federal regulations at 20 CFR 416.994, once a Claimant is determined eligible for disability benefits, the eligibility for such benefits must be reviewed periodically. Before determining that a Claimant is no longer eligible for disability benefits, the agency must establish that there has been a medical improvement of the Claimant's impairment that is related to the Claimant's ability to work. 20 CFR 416.994(b)(5).

To assure that disability reviews are carried out in a uniform manner, that a decision of continuing disability can be made in the most expeditious and administratively efficient way, and that any decisions to stop disability benefits are made objectively, neutrally, and are fully documented, we will follow specific steps in reviewing the question of whether

your disability continues. Our review may cease and benefits may be continued at any point if we determine there is sufficient evidence to find that you are still unable to engage in substantial gainful activity. 20 CFR 416.994(b)(5).

The first question asks:

- (i) Are you engaging in substantial gainful activity? If you are (and any applicable trial work period has been completed), we will find disability to have ended (see paragraph (b)(3)(v) of this section).

Claimant is not disqualified from this step because he has not engaged in substantial gainful activity at any time relevant to this matter. Furthermore, the evidence on the record fails to establish that Claimant has a severe impairment which meets or equals a listed impairment found at 20 CFR 404, Subpart P, Appendix 1. Therefore, the analysis continues. 20 CFR 416.994(b)(5)(ii).

The next step asks the question if there has been medical improvement.

Medical improvement is any decrease in the medical severity of your impairment(s) which was present at the time of the most recent favorable medical decision that you were disabled or continued to be disabled. A determination that there has been a decrease in medical severity must be based on changes (improvement) in the symptoms, signs and/or laboratory findings associated with your impairment(s). 20 CFR 416.994(b)(1)(i).

If there is a decrease in medical severity as shown by the symptoms, signs and laboratory findings, we then must determine if it is related to your ability to do work. In paragraph (b)(1)(iv) of this section, we explain the relationship between medical severity and limitation on functional capacity to do basic work activities (or residual functional capacity) and how changes in medical severity can affect your residual functional capacity. In determining whether medical improvement that has occurred is related to your ability to do work, we will assess your residual functional capacity (in accordance with paragraph (b)(1)(iv) of this section) based on the current severity of the impairment(s) which was present at your last favorable medical decision. 20 CFR 416.994(b)(2)(ii).

The Medical Review Team found Claimant's medical condition had improved. Pursuant to the federal regulations, at medical review, the Department has the burden of not only proving Claimant's medical condition has improved, but that the improvement relates to the Claimant's ability to do basic work activities. The Department has the burden of establishing that Claimant is currently capable of doing basic work activities based on objective medical evidence from qualified medical sources. 20 CFR 416.994(b)(5).

In this case, the evidence indicates that the Claimant has only ever been employed as a [REDACTED]. The Administrative Law Judge who had determined that the Claimant was disabled found that the Claimant could not do his previous work due to his uncontrolled diabetes and sleep apnea. That Administrative Law Judge found that the Claimant could not do a full range of sedentary work pursuant to Medical Vocational Grant Rule Footnotes 201.00 (h) due to his multiple impairments and chronic pain.

During the hearing, the Claimant contested the report of Dr. Michael Simpson, which indicated that the Claimant's diabetes was under control. The Claimant testified that there was a problem with the insurance company covering a certain medication which was subsequently changed. This resulted in his diabetes not being controlled again. The report of [REDACTED] fails to address the Claimant's sleep apnea. Furthermore, [REDACTED] notes report that he has not examined the Claimant's previous MRI studies and EMG studies. The doctor indicates those studies would be of interest to assess the Claimant's anatomy and for nerve root impingement. Lastly, and most importantly, the Administrative Law Judge cannot determine, based on the new evidence submitted for the Claimant's review, where there has been any medical improvement. The Claimant credibly testified that his condition has worsened.

The Administrative Law Judge did question the Claimant's case worker during the hearing and she reported that she has not been able to observe any medical improvement with the Claimant. In this case, the Department has not met its burden of proof. The Department has provided no evidence that indicates Claimant's condition has improved, or that the alleged improvement relates to his ability to do basic work activities. The Department provided no objective medical evidence from qualified medical sources that show Claimant is currently capable of doing basic work activities. Accordingly, the Department's SDA eligibility determination cannot be upheld at this time.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department erred in proposing to close Claimant's SDA case based upon a finding of improvement at review.

Accordingly, the Department's action is REVERSED, and this case is returned to the local office for benefit continuation as long as all other eligibility criteria are met, with Claimant's next mandatory medical review scheduled in May, 2015, (unless he is

approved eligible for Social Security disability benefits by that time). For that review, the Department shall obtain updated medical evidence from the Claimant's treating physicians, physical therapist, pain clinic notes, etc. regarding his continued treatment, progress and prognosis at review. The Department shall also obtain psychiatric evidence of the Claimant's worsening mental disabilities.

**It is SO ORDERED.**



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

Date Signed: **10/3/2014**

Date Mailed: **10/3/2014**

**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:

