

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-20915  
Issue No(s): 2009, 4009  
Case No.: [REDACTED]  
Hearing Date: June 11, 2014  
County: Shiawassee County DHS

**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, a telephone hearing was held on June 11, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] the Claimant, and [REDACTED], mother. Participants on behalf of the Department of Human Services (Department) included [REDACTED], General Services Program Manager, and [REDACTED], Eligibility Specialist.

**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. A December 4, 2012, administrative hearing Decision and Order found Claimant disabled for Medicaid (MA-P), retroactive MA-P, and SDA for a May 15, 2012 application.
2. In December 2013, the Department reviewed Claimant's ongoing eligibility for MA-P and SDA benefits.
3. On December 12, 2013, the Medical Review Team (MRT) found Claimant not disabled.
4. On December 17, 2013, the Department notified Claimant of the MRT determination.
5. On December 26, 2013, the Department received Claimant's timely written request for hearing.

6. On February 20, 2014, the State Hearing Review Team (SHRT) found Claimant not disabled.
7. Claimant alleged disabling impairments including disc herniation, degenerative disc disease, pain and arthritis.
8. At the time of hearing, Claimant was 53 years old with a [REDACTED] birth date; was 5'6" in height; and weighed 190 pounds.
9. Claimant completed high school and has a work history including carpentry and dry walling.
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 applicants 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).

Once an individual has been found disabled for purposes of MA benefits, continued entitlement is periodically reviewed in order to make a current determination or decision as to whether disability remains in accordance with the medical improvement review standard. 20 CFR 416.993(a); 20 CFR 416.994. In evaluating a claim for ongoing MA benefits, federal regulation require a sequential evaluation process be utilized. 20 CFR 416.994(b)(5). The review may cease and benefits continued if sufficient evidence supports a finding that an individual is still unable to engage in substantial gainful activity. *Id.* Prior to deciding an individual's disability has ended, the department will develop, along with the Claimant's cooperation, a complete medical history covering at least the 12 months preceding the date the individual signed a request seeking continuing disability benefits. 20 CFR 416.993(b). The department may order a consultative examination to determine whether or not the disability continues. 20 CFR 416.993(c).

The first step in the analysis in determining whether an individual's disability has ended requires the trier of fact to consider the severity of the impairment(s) and whether it meets or equals a listed impairment in Appendix 1 of subpart P of part 404 of Chapter 20. 20 CFR 416.994(b)(5)(i). If a Listing is met, an individual's disability is found to continue with no further analysis required.

If the impairment(s) does not meet or equal a Listing, then Step 2 requires a determination of whether there has been medical improvement as defined in 20 CFR 416.994(b)(1); 20 CFR 416.994(b)(5)(ii). Medical improvement is defined as any decrease in the medical severity of the impairment(s) which was present at the time of the most favorable medical decision that the individual was disabled or continues to be disabled. 20 CFR 416.994(b)(1)(i). If no medical improvement found, and no exception applies (see listed exceptions below), then an individual's disability is found to continue. Conversely, if medical improvement is found, Step 3 calls for a determination of whether there has been an increase in the residual functional capacity ("RFC") based on the impairment(s) that were present at the time of the most favorable medical determination. 20 CFR 416.994(b)(5)(iii).

If medical improvement is not related to the ability to work, Step 4 evaluates whether any listed exception applies. 20 CFR 416.994(b)(5)(iv). If no exception is applicable,

disability is found to continue. *Id.* If the medical improvement *is* related to an individual's ability to do work, then a determination of whether an individual's impairment(s) are severe is made. 20 CFR 416.994(b)(5)(iii), (v). If severe, an assessment of an individual's residual functional capacity to perform past work is made. 20 CFR 416.994(b)(5)(vi). If an individual can perform past relevant work, disability does not continue. *Id.* Similarly, when evidence establishes that the impairment(s) do (does) not significantly limit an individual's physical or mental abilities to do basic work activities, continuing disability will not be found. 20 CFR 416.994(b)(5)(v). Finally, if an individual is unable to perform past relevant work, vocational factors such as the individual's age, education, and past work experience are considered in determining whether despite the limitations an individual is able to perform other work. 20 CFR 416.994(b)(5)(vii). Disability ends if an individual is able to perform other work. *Id.*

The first group of exceptions (as mentioned above) to medical improvement (i.e., when disability can be found to have ended even though medical improvement has not occurred) found in 20 CFR 416.994(b)(3) are as follows:

- (i) Substantial evidence shows that the individual is the beneficiary of advances in medical or vocational therapy or technology (related to the ability to work);
- (ii) Substantial evidence shows that the individual has undergone vocational therapy related to the ability to work;
- (iii) Substantial evidence shows that based on new or improved diagnostic or evaluative techniques the impairment(s) is not as disabling as previously determined at the time of the most recent favorable decision;
- (iv) Substantial evidence demonstrates that any prior disability decision was in error.

The second group of exceptions [20 CFR 416.994(b)(4)] to medical improvement are as follows:

- (i) A prior determination was fraudulently obtained;
- (ii) The individual failed to cooperate;
- (iii) The individual cannot be located;
- (iv) The prescribed treatment that was expected to restore the individual's ability to engage in substantial gainful activity was not followed.

If an exception from the second group listed above is applicable, a determination that the individual's disability has ended is made. 20 CFR 416.994(b)(5)(iv). The second group of exceptions to medical improvement may be considered at any point in the process. *Id.*

In the present case, Claimant alleges disabling impairments including disc herniation, degenerative disc disease, pain and arthritis.

A March 1, 2012, x-ray of the lumbar spine showed mild dextroscoliosis and mild diffuse spondylosis with mild multilevel degenerative disc disease (DDD).

An April 12, 2012, CT of the lumbar spine showed: evidence of mild DDD at L4-5; findings suspicious for centrally herniated nucleus pulposus with slight eccentricity to the left at L4-5; bilateral facet arthritis changes at L2-3, L3-4, L4-5, and L5-S1; and minimal marginal osteophytic spurring throughout the lumbar spine.

An April 23, 2012, CT of the lumbar spine showed: evidence of mild DDD at L4-5; findings suspicious for centrally herniated nucleus pulposus with slight eccentricity to the left at L4-5 interspace; bilateral facet arthritic changes at L2-3, L3-4, L4-5, and L5-S1; and minimal marginal osteophytic spurring throughout the lumbar spine.

A September 25, 2012, DHS-49 Medical Needs form documented diagnoses of neck pain with radiculopathy and back pain with radiculopathy. Physical limitations included lifting less than 10 pounds frequently, 20 pounds occasionally, and 25 pounds rarely; standing/walking at least 2 hours but not 6 hours in an 8 hour work day, and sitting less than 6 hours in an 8 hour work day. It was noted that Claimant has to walk to stretch and move. It was also noted that Claimant will be using a cane on and off depending on the day for 2 years. The markings regarding reaching are contradictory, but indicate there may be a limitation with this activity. It was marked that Claimant was able to use hands/arms and feet/legs for other listed repetitive actions. It was marked that Claimant had no mental limitations.

A January 22, 2013, MRI of the lumbar spine showed: mild multilevel L-spine DDD with moderate diffuse L-spine degenerative joint disease (DJD); minimal mid lumbar dextroscoliosis; large broad-based L2 right posterolateral and lateral compressive hard disk herniation; shallow mild posterior and rightward compressive L4 disk herniation; and the combination of DDD and DJD changes are causing marked right L2 foraminal stenosis compressing its exiting nerve as well as moderate proximal right L4 foraminal stenosis compressing the proximal right L5 nerve root in its anterolateral recess.

A January 22, 2013, x-ray of the cervical spine showed stable fusion with normal anatomic alignment without acute process demonstrating mid to lower C-spine DDD as well.

A November 20, 2013, DHS-49 Medial Examination Report documents diagnoses of lumbar herniated nucleus pulposus, lumbar DDD, lumbosacral radiculopathy, lumbar spondylosis, and bilateral sacroiliac joint syndrome. Physical limitations included no frequent lifting, lifting up to 10 pounds occasionally, standing/walking less than 6 hours in an 8 hour work day, and unable to use ands/arms and feet/legs for repetitive actions. It was documented that Claimant uses a cane. It was documented that Claimant may have difficulty with sustained concentration secondary to pain. A handwritten note indicates Claimant may need help with any activities that require lifting, pulling, pushing, twisting or reaching to meet his needs in the home.

As discussed above, the first step in the sequential evaluation process to determine whether the Claimant's disability continues looks at the severity of the impairment(s) and whether it meets or equals a listed impairment in Appendix 1.

Claimant was not previously found to have met a listed impairment. The evidence confirms ongoing diagnosis and treatment of lumbar and cervical spine problems and back pain. Based on the objective medical evidence, considered listings included: 1.00 Musculoskeletal System and 11.00 Neurological. However, the medical evidence was not sufficient to meet the intent and severity requirements of any listing, or its equivalent.

Step 2 requires a determination of whether there has been medical improvement. Comparison of the 2012 and 2013 radiography reports and the DHS-49 Medical examination reports indicate Claimant's impairments and resulting limitations have worsened. In consideration of all medical evidence, it is found that, overall, there was no medical improvement. The exceptions contained in 20 CFR 416.994(b)(3) and 20 CFR 416.994(b)(4) are not applicable. Accordingly, Claimant's disability is found to continue.

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 disabled for purposes of the MA and SDA benefit programs.

### **DECISION AND ORDER**

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

THE DEPARTMENT IS ORDERED TO INITIATE THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reinstate Claimant's MA and SDA cases retroactive to the effective date(s), if not done previously, to determine Claimant's non-medical eligibility. The Department shall inform Claimant of the determination in writing. A review of this case shall be set for November 2015.
2. The Department shall supplement for lost benefits (if any) that Claimant was entitled to receive, if otherwise eligible and qualified in accordance with Department policy.



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

Date Signed: October 2, 2014

Date Mailed: October 2, 2014

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides or has its principal place of business in the State, 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 48909-07322

CL/hj

cc:

