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

#### IN THE MATTER OF:



Reg. No.: Issue No(s).: Case No.: Hearing Date: June 26, 2014 County:

2014-30734

2009

Jackson

#### 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 26, 2014, from Lansing, Michigan. Participants on behalf of Claimant included Participants on behalf of the Department of Human Services Representative. , Eligibility Specialist, and (Department) included . Familv Independence Manager.

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, reviewed, and forwarded to the State Hearing Review Team ("SHRT") for consideration. The SHRT found Claimant not disabled. This matter is now before the undersigned for a final determination.

### ISSUE

Whether the Department properly determined that Claimant was not disabled for purposes of the Medical Assistance (MA) benefit program?

### 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 September 10, 2013, Claimant applied for Medicaid (MA-P) and retroactive MA-P.
- 2. On November 1, 2013, the Medical Review Team (MRT) found Claimant not disabled
- On December 17, 2013, the Department notified Claimant of the MRT 3. determination.
- On March 10, 2014, the Department received Claimant's timely written request for 4 hearing.

- 5. On May 18, 2014, and July 24, 2014, the State Hearing Review Team (SHRT) found Claimant not disabled.
- 6. Claimant alleged disabling impairments including stomach problems, colon problems, heart disease, chronic kidney disease, spine and neck problems, and anxiety.
- 7. At the time of hearing, Claimant was 46 years old with an **excernance**, birth date; was 4'11" in height; and weighed 95 pounds.
- 8. Claimant completed the 10<sup>th</sup> grade, obtained a GED, and has a history of part time work including fast food restaurant cashier and general labor.
- 9. 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.

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 fivestep 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 20 CFR 416.912(a). An impairment or combination of impairments is not disability. 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.
- ld.

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 alleges disabling impairments including stomach problems, colon problems, heart disease, chronic kidney disease, spine and neck problems, and anxiety. While some older medical records were submitted and have been reviewed, the focus of this analysis will be on the more recent medical evidence.

A January 22, 2013, cervical spine x-ray showed cervical spondylitic changes at C5-6 and C6-7.

A February 6, 2013, cervical MRI showed small central and left paracentral herniation of degenerating C5-C6 disc with indentation over the thecal sac and compression of left C-6 nerve root as well as broad based bulging of degenerating C4-C5 and C6-C7 discs.

A July 27, 2013, consultative medical examination indicated evaluation for nerve damage in the left upper extremity in a C6 radiculopathy down the left upper extremity. The cervical MRI findings were noted. Claimant reported severe muscle spasms in the low cervical spine and suboccipital headaches. Claimant's neck pain started after a car accident in 2013. Claimant also has back problems secondary to her right leg being shorter than the left leg. Claimant did not report radiculopathy with the low back pain. Claimant was able to walk without the use of any assistive device, squat to the floor with no difficulty, walk heel-toe in tandem and on her heels and toes. Grip strength was weak in the left upper extremity but strong on the right. Strength testing was mildly paretic in the myotome of C6 as well as the intrinsic muscles of the hand on the left

side. Sensation was mildly dysesthetic in the C6 dermatome of the left upper extremity. Upon orthopedic testing, Claimant had no significant ligamentous laxity and full range of motion.

A July 30, 2013, consultative mental status examination report listed diagnoses including generalized anxiety disorder, panic disorder, agoraphobia, obsessive compulsive disorder, bipolar disorder, alcohol use disorder, stimulant use disorder, dependant personality disorder, borderline personality disorder, and rule out borderline intellectual functioning.

An August 20, 2013, crisis intervention notes Claimant went to the hospital with suicidal ideations and a plan to overdose with medications. Diagnoses were mood disorder, bipolar disorder, alcohol abuse, and cocaine abuse.

Claimant was hospitalized September 1-20, 2013, for septic shock, ischemic bowel status post subtotal colectomy and ileostomy formation, acute renal failure, liver failure, mental status changes, cigarette addiction, polysubstance abuse, anemia of critical illness, and blood stream infection. On September 2, 2013, Claimant underwent exploratory laparotomy, extended left hemicolectomy, and abdominal wound vac placement. On September 4, 2013, Claimant underwent a second look laparotomy, completion of right hemicolectomy, creation of ileostomy, and secondary abdominal closure. On September 7, 2013, Claimant underwent exploratory laparotomy and ostomy takedown with wound vac placement. On September 11, 2012, Claimant underwent exploratory laparotomy, small bowel resection, repair of rectal stump, ileostomy secondary abdominal closure.

Claimant was transferred to Carelink September 20, 2013, for continuation of wound care, ileostomy care, IV antibiotics, and nutritional advancement. A September 24, 2013, psychiatric consultation indicated diagnoses of major depressive disorder, generalized anxiety disorder, cocaine dependence, and a Global Assessment of Functioning (GAF) of 45.

Office visit records from the primary doctor's office indicate chronic conditions of cocaine abuse, hypertension, backache, anxiety, alcohol dependence, bipolar, and mood disorder.

Claimant was seen in the emergency department October 22, 2013, for postoperative pain.

Claimant was seen in the emergency department October 23, 2013, for abdominal pain and pancreatitis.

Claimant was seen in the emergency department October 27 2013, for abdominal pain and vomiting.

Claimant was seen in the emergency department October 30, 2013, for ileostomy problem.

Post op-visit records were submitted indicating a diagnosis of ischemic necrosis of large intestine. A November 4, 2013, postop visit record noted Claimant reported incisional pain. Claimant was healing well and the wound was closing. A December 2, 2013, post of visit record noted Claimant reported some improvement with incision pain. The Claimant was improving, the wound closed, and ileostomy with mostly liquid output. It was noted that Claimant wants a reversal, but her colon was removed, so with a reversal she would have upwards of 10-12 liquid bowel movements per day. A January 2014, visit records indicates pain improving overall. Claimant still really wanted the ileostomy reversed, but a need to wait 6 months from the ischemic insult was noted.

A February 25, 2014, DHS-49E Psychiatric/Psychological Examination Report listed diagnoses of mood disorder rule out bipolar disorder and a GAF of 50. A DHS-49 E Mental Residual Functional Capacity Assessment was also completed indicating that of the 20 listed areas, Claimant has marked limitations in 2 areas and moderate limitations in 13 areas.

Claimant was hospitalized March 10-13, 2014, for ileostomy status, chronic kidney disease stage 3, leukocytosis, low magnesium levels, major depressive disorder, smoker, and anxiety. Claimant underwent reversal of the ileostomy.

A May 1, 2014, office visit note indicates Claimant was seen for diarrhea after an emergency department visit. The record indicates lidocaine could be used topically to rectal area for pain.

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 neck and back pain with degenerative changes, septic shock, ischemic necrosis of large intestine, ileostomy status, chronic kidney disease stage 3, leukocytosis, hypertension, alcohol and substance abuse, mood disorder, bipolar disorder, depression, and anxiety.

Based on the objective medical evidence, considered listings included: 1.00 Musculoskeletal System, 5.00 Digestive System, and 12.00 Mental Disorders. Claimant representative requested listing 5.07 and 5.06B be considered. The medical evidence shows Claimant meets portions of the criteria for these listings. Listing 5.07 Short bowel syndrome (SBS), requires dependence on daily parenteral nutrition via a central venous catheter in addition to surgical resection of more than one-half of the small intestine. The medical evidence does not indicate Claimant requires daily parenteral nutrition via

a central venous catheter. Similarly, the Inflammatory bowel disease (IBD) listing 5.06 B requires two of the 6 listed criteria despite continuing treatment as prescribed and occurring within the same consecutive 6-month period. The records support Claimant meeting the involuntary weight loss of at least 10 percent from baseline when comparing an August 8, 2013, urgent care visit record to post surgery office visit records in February and May 2014. However, Claimant must still meet another of the listed 5.06 B criteria to be found disabled under this listing. Accordingly, 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 An individual capable of light work is also capable of all of these activities. Id. 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. ld.

The evidence confirms recent diagnosis and treatment of multiple conditions, including neck and back pain with degenerative changes, septic shock, ischemic necrosis of large intestine, ileostomy status, chronic kidney disease stage 3, leukocytosis, hypertension, alcohol and substance abuse, mood disorder, bipolar disorder, depression, and anxiety. Claimant's testimony indicated she can walk 15 minutes, stand 15 minutes, sit 30 minutes, and lift a gallon of milk. Claimant described her ongoing abdominal and bowel symptoms since the reversal surgery, including the very frequent need to use the bathroom, water like stool, abdominal pain and cramping. Claimant testimony indicated she is no longer using drugs or alcohol. Claimant's testimony regarding her limitations is mostly supported by the medical evidence and found credible. After review of the entire record it is found, at this point, that Claimant does not maintain 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 history of part time work including fast food restaurant cashier and general labor. In light of the entire record and Claimant's RFC (see above), it is found that Claimant is not able to perform her past relevant work. Accordingly, the Claimant cannot be found disabled, or not disabled, at Step 4; therefore, the Claimant's eligibility is considered under Step 5. 20 CFR 416.905(a).

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 46 years old and, thus, considered to be a younger individual for MA-P purposes. Claimant completed the 10<sup>th</sup> grade, obtained a GED, and has a history of part time work including fast food restaurant cashier and general labor. 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 neck and back pain with degenerative changes, septic shock, ischemic necrosis of large intestine, ileostomy status, chronic kidney disease stage 3, leukocytosis, hypertension, alcohol and substance abuse, mood disorder, bipolar disorder, depression, and anxiety. As noted above, Claimant does not maintain 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, Claimant is found disabled at Step 5.

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 benefit program.

### **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. Initiate a review of the application dated September 10, 2013, for MA-P and Retroactive MA-P 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 January 2016.

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 Nick Lyon, Interim Director Michigan Department of Human Services

Date Signed: January 20, 2015

Date Mailed: January 20, 2015

**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

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