

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-014169
Issue No.: 4009
Case No.: [REDACTED]
Hearing Date: October 07, 2015
County: Oscoda

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 7, 2015 from Lansing, Michigan. Claimant personally appeared and provided testimony. [REDACTED] (Eligibility Specialist) and [REDACTED] (Family Independence Manager) represented the Department of Health and Human Services (Department).

ISSUE

Did the Department properly determine that Claimant was no longer disabled and deny his review application for State Disability Assistance (SDA)?

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 at all relevant times.
2. Claimant's SDA case was scheduled for review on June 30, 2014.
3. More than 1 year later, on July 30, 2015, the Medical Review Team (MRT) denied Claimant's review application SDA and found he was no longer disabled due to medical improvement.
4. On July 30, 2015, the Department sent Claimant notice that his SDA case would be closed effective September 1, 2015.
5. On August 7, 2015, the Department received Claimant's request for a hearing to contest the Department's negative action.

6. A telephone hearing was held on October 7, 2015.
7. Claimant has alleged the following disabling impairments: chronic kidney stones, stroke, bleeding ulcers, chicken pox, meningitis, anal fissure, high blood pressure and depression.
8. Claimant, at the time of the hearing, was 52 (fifty-two) years old with a birth date of [REDACTED].
9. Claimant is 5'7" tall; and weighed approximately 180 (one-hundred and eighty) pounds (lbs) at the time of the hearing.
10. Claimant has an Associate's Degree in culinary arts, but indicates that he has difficulty reading due to ADHD.
11. Claimant last worked in the culinary and food service industry in 2012.

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).

Pursuant to the federal regulations at 20 CFR 416.994, once a client is determined eligible for disability benefits; the eligibility for such benefits must be reviewed periodically. Before determining that a client is no longer eligible for disability benefits, the agency must establish that there has been a medical improvement of the client's impairment that is related to the client'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 the first step because there is no evidence that he has engaged in substantial gainful activity at any time relevant to this matter. Furthermore, the evidence on the record establishes 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 CF 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).

In this case, the MRT denied Claimant SDA benefits on the basis that his medical condition had improved. The objective medical documents contained in the hearing record show that Claimant continues to suffer from severe depression. Claimant's mental health records showed that on [REDACTED], he was diagnosed with: major depressive disorder with anxious distress, panic disorder. Claimant's records from [REDACTED] dated [REDACTED] show that he continues to demonstrate mixed symptoms of anxiety and depression. According to the records, Claimant's

anxiety reportedly occurred simultaneously with his chronic health issues. Claimant's mental health treatment records as late as June, 2015 show that he continues to have anxiety but also has a mood disorder.

Claimant's records contained a medical examination report which demonstrated a deteriorating condition due to chronic kidney stones that reoccur frequently. There were no additional records that showed Claimant had any improvement regarding any of the remaining listed medical conditions.

During the hearing, the Department caseworker testified that based on her personal observations, Claimant's medical condition has not improved. At one point in the hearing, the Department caseworker volunteered that Claimant has presented to the local office with a Gatorade bottle that contained his bloody urine. She also stated that Claimant continues to exhibit erratic, nervous and anxious behavior when he visits the local office.

Pursuant to the above-mentioned federal regulations, the Department, at medical review, has the burden of not only proving Claimant's medical condition has improved, but that the improvement relates to the client'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 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 medical improvement at review.

Accordingly, the Department's action is **REVERSED**, and this case is returned to the local office for SDA benefit continuation as long as all other eligibility criteria are met, with Claimant's next mandatory medical review scheduled in October, 2016, (unless he is approved eligible for Social Security disability benefits by that time).

IT IS SO ORDERED.



C. Adam Purnell
Administrative Law Judge
for Nick Lyon, Director
Department of Human Services

Date Signed: 10/13/2015

Date Mailed: 10/13/2015

CAP/las

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 copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from 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:

