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

IN THE MATTER OF:



MAHS Reg. No.: 15-017852 Issue No.: 4009

Agency Case No.:

Hearing Date: December 03, 2015
County: WAYNE-DISTRICT 19

(INKSTER)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

HEARING DECISION

Following Petitioner'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, telephone hearing was held on December 3, 2015, from Detroit, Michigan. Petitioner represented herself. The Department was represented by Worker.

<u>ISSUE</u>

Did the Department properly determine that Petitioner was not disabled for purposes of the State Disability Assistance (SDA) 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 Petitioner submitted an application seeking cash assistance on the basis of a disability (Exhibit A, pp. 4-15).
- 2. On the Medical Review Team (MRT) found Petitioner not disabled for purposes of the SDA program (Exhibit A, pp. 85-88).
- 3. On the Department sent Petitioner a Notice of Case Action denying the application based on MRT's finding of no disability (Exhibit A, pp. 89-92).
- 4. On the Department received Petitioner's timely written request for hearing (Exhibit A, pp. 2-3).

- 5. Petitioner alleged disabling impairment due to neck, back, shoulder and groin pain and bilateral carpal tunnel syndrome (CTS).
- 6. On the date of the hearing, Petitioner was 44 years old with a date; she is 5'8" in height and weighs about 240 pounds.
- 7. Petitioner graduated from high school and took some college classes.
- 8. At the time of application, Petitioner was not employed.
- 9. Petitioner has an employment history of work as medical biller, waitress, and office manager.
- 10. Petitioner has a pending disability claim with the Social Security Administration.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and 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 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 disabled person is eligible for SDA. BEM 261 (July 2015), p. 1. An individual automatically qualifies as disabled for purposes of the SDA program if the individual receives Supplemental Security Income (SSI) or Medical Assistance (MA-P) benefits based on disability or blindness. BEM 261, p. 2. Otherwise, to be considered disabled for SDA purposes, a person must have a physical or mental impairment for at least ninety days which meets federal SSI disability standards, meaning the person is unable to do any substantial gainful activity by reason of any medically determinable physical or mental impairment. BEM 261, pp. 1-2; 20 CFR 416.901; 20 CFR 416.905(a).

To determine whether an individual is disabled for SSI purposes, the trier of fact must apply a five-step sequential evaluation process and consider the following:

- (1) whether the individual is engaged in substantial gainful activity (SGA);
- (2) whether the individual's impairment is severe;
- (3) whether the impairment and its duration meet or equal a listed impairment in Appendix 1 Subpart P of 20 CFR 404;

- (4) whether the individual has the residual functional capacity to perform past relevant work; and
- (5) whether the individual has the residual functional capacity and vocational factors (based on age, education and work experience) to adjust to other work. 20 CFR 416.920(a)(1) and (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 to 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).

In general, the individual has the responsibility to establish a disability 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, if a mental disability is alleged, to reason and make appropriate mental adjustments. 20 CFR 416.912(a); 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, are insufficient to establish disability. 20 CFR 416.927(d).

Step One

As outlined above, the first step in determining whether an individual is disabled requires consideration of the individual's current work activity. 20 CFR 416.920(a)(4)(i). If an individual is working and the work is SGA, then the individual must be considered not disabled, regardless of medical condition, age, education, or work experience. 20 CFR 416.920(b); 20 CFR 416.971. SGA means work that involves doing significant and productive physical or mental duties and that is done, or intended to be done, for pay or profit. 20 CFR 416.972.

In this case, Petitioner has not engaged in SGA activity during the period for which assistance might be available. Therefore, Petitioner is not ineligible under Step 1 and the analysis continues to Step 2.

Step Two

Under Step 2, the severity of an individual's alleged impairment(s) is considered. If the individual does not have a severe medically determinable physical or mental impairment that meets the duration requirement, or a combination of impairments that is severe and meets the duration requirement, the individual is not disabled. 20 CFR 416.920(a)(4)(ii). The duration requirement for SDA means that the impairment is expected to result in death or has lasted, or is expected to last, for a continuous period of at least 90 days. 20 CFR 416.922; BEM 261, p. 2.

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 mean the abilities and aptitudes necessary to do most jobs. 20 CFR 416.921(b). Examples include (i) physical functions such as walking, standing, sitting, lifting, pushing, pulling, reaching, carrying, or handling; (ii) the capacity to see, hear, and speak; (iii) the ability to understand, carry out, and remember simple instructions; (iv) use of judgment; (v) responding appropriately to supervision, co-workers and usual work situations; and (vi) dealing with changes in a routine work setting. 20 CFR 416.921(b).

The individual bears the burden to present sufficient objective medical evidence to substantiate the alleged disabling impairments. A claim may be denied at Step 2 only if the evidence shows that the individual's impairments, when considered in combination, are not medically severe, i.e., do not have more than a minimal effect on the person's physical or mental ability to perform basic work activities. Social Security Ruling (SSR) 85-28. If such a finding is not clearly established by medical evidence or if the effect of an impairment or combination of impairments on the individual's ability to do basic work activities cannot be clearly determined, adjudication must continue through the sequential evaluation process. *Id.*; SSR 96-3p.

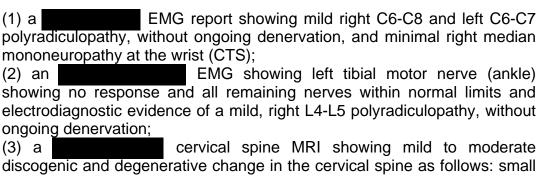
In the present case, Petitioner alleges disabling impairment due to neck, back, shoulder and groin pain and bilateral carpal tunnel syndrome (CTS). The medical evidence presented at the hearing was reviewed and is summarized below.

On the doctor noted that Petitioner complained of continuous knee and back pain and pain affecting her inguinal area. The doctor noted that Petitioner had a normal gait and was able to get on and off the examination table and raise both arms above head level. Her straight leg raise was equal bilaterally. She had tenderness over the lower lumbar area with movements markedly restricted: her lower back flexion was only 30 degrees; backward extension was 10 degrees; lateral flexion was 10 to 15 degrees on each side; her neck movements were restricted to about 65 to 70 percent of normal range. The doctor concluded that Petitioner suffered from chronic cervical pain, chronic lumbar pain, a history of CTS, and anxiety. The doctor noted that Petitioner was on a lot of pain medication and had definite superlative anxiety. He strongly recommended a neurology evaluation based on her MRIs. He listed her prognosis as fair. (Exhibit A, pp. 82-84.)

On Petitioner's neurologist completed a medical examination report, DHS-49, listing Petitioner's diagnoses as cervical root lesions, lumbosacral root lesions, and CTS. The doctor noted that Petitioner had a neurological disorder that resulted in neck and back pain. The doctor concluded that Petitioner's condition was stable and identified the following limitations: (i) she could occasionally lift and carry up to 10 pounds, but never more; (ii) she could stand and/or walk less than 2 hours in an 8-hour

workday; (iii) she could sit less than 6 hours in an 8-hour workday; and (iv) she could use neither arm or hand to reach, push/pull, or fine manipulate. The doctor prescribed MS contin, Percocet and Neurontin. (Exhibit A, pp. 24-26.)

Cited by the neurologist in support of his DHS-49 were the following:



- discogenic and degenerative change in the cervical spine as follows: small broad-based disc bulge at C3-C4 level causing mild spinal canal stenosis and mild narrowing of the bilateral neural foramen; small broad-based disc bulge with a small central focal disc protrusion at C4-C5 level with mild flattening of the thecal sac, mild to moderate narrowing of the spinal canal, mild narrowing of the left neural foramen, and moderate narrowing of the right neural foramen; small broad-based disc bulge at C5-C6 level causing minimal spinal canal stenosis and minimal narrowing of the bilateral neural foramen; and moderate-sized left paracentral disc protrusion at C6-C7 level which flattened the thecal sac and caused moderate narrowing of the left lateral recess, mild to moderate narrowing of the left neural foramen, mild to moderate narrowing of the spinal canal, and mild narrowing of the right neural foramen;
- (4) a lumbar spine MRI showing multilevel spondylotic degenerative changes and marrow endplate degenerative changes at several levels, worst at L5-S1, more specifically as follows: minimal disc bulge slightly flattening the ventral thecal sac at L1-L2 with facet arthropathy but no significant spinal canal stenosis; circumferential disc bulge at L2-L3 effacing the thecal sac with facet arthropathy, mild spinal canal stenosis, mild right neuroforaminal stenosis; circumferential disc bulge at L3-L4 that effaces the thecal sac with thickened ligamentum flavum and facet arthropathy and at least moderate spinal canal stenosis and mild bilateral neuroforaminal stenosis; circumference disc bulge with facet arthropathy at L4-L5 with thickened ligamentum flavum effacing the thecal sac and at least moderate spinal canal stenosis and mild to moderate neuroforaminal stenosis worse on the right; and minimal disc bulge at L4-L5 with facet arthropathy and thickened ligamentum falvum effacing the thecal sac with mild to moderate spinal canal stenosis and mild to moderate neuroforaminal stenosis: and
- (5) a thoracic spine MRT showing stable appearance of the thoracic spine with multilevel spondylotic degenerative changes, with T7-T8

and T11-T-12 the worst and a cystic lesion along the right lateral aspect of the T5 vertebral body.

Exhibit A, pp. 38-45, 54-55, 61-74.

Petitioner's medical file included progress notes from her neurologist showing treatment beginning for significant back and neck pain with references to the EMGs of the upper and lower extremities demonstrating diffuse cervical and lumbar spondylosis and the fact that Petitioner had failed to find any significant relief from previous physical therapy and multiple narcotics. The notes indicated ongoing neck/back pain and worsening CTS with numbness and tingling in both hands and pain in the right groin radiating down her thighs to her toes. (Exhibit A, pp. 46-53).

Petitioner's medical file also included progress notes from her primary care physician for June 2014 and September 2014 for pain and burning sensation in the right shoulder, numbness in bilateral hands, left foot and ankle pain, loss of balance, and stress urinary incontinence. The doctor noted decreased range of motion in the cervical spine. (Exhibit A, pp. 56-59.)

In consideration of the *de minimis* standard necessary to establish a severe impairment under Step 2, the foregoing medical evidence is sufficient to establish that Petitioner suffers from severe impairments that have lasted or are expected to last for a continuous period of not less than 90 days. Therefore, Petitioner has satisfied the requirements under Step 2, and the analysis will proceed to Step 3.

Step Three

Step 3 of the sequential analysis of a disability claim requires a determination if the individual's impairment, or combination of impairments, is listed in Appendix 1 of Subpart P of 20 CFR, Part 404. 20 CFR 416.920(a)(4)(iii). If an individual's impairment, or combination of impairments, is of a severity to meet or medically equal the criteria of a listing and meets the duration requirement (20 CFR 416.909), the individual is disabled. If not, the analysis proceeds to the next step.

In consideration of the medical evidence presented, listings 1.02 (major dysfunction of a joint), 1.04 (disorders of the spine) and 11.14 (peripheral neuropathies) were considered. The medical evidence presented does **not** show that Petitioner's impairments meet or equal the required level of severity of any of the listings in Appendix 1 to be considered as disabling without further consideration. Because Petitioner's impairments are insufficient to meet, or to equal, the severity of a listing, Petitioner is not disabled under Step 3 and the analysis continues to Step 4.

Residual Functional Capacity

If an individual's impairment does not meet or equal a listed impairment under Step 3, before proceeding to Step 4, the individual's residual functional capacity (RFC) is assessed. 20 CFR 416.920(a)(4); 20 CFR 416.945. RFC is the most an individual can

do, based on all relevant evidence, despite the limitations from the impairment(s), including those that are not severe, and takes into consideration an individual's ability to meet the physical, mental, sensory and other requirements of work. 20 CFR 416.945(a)(1), (4); 20 CFR 416.945(e).

RFC is assessed based on all relevant medical and other evidence such as statements provided by medical sources, whether or not they are addressed on formal medical examinations, and descriptions and observations of the limitations from impairment(s) provided by the individual or other persons. 20 CFR 416.945(a)(3). This includes consideration of (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).

Limitations can be exertional, nonexertional, or a combination of both. 20 CFR 416.969a. If the limitations and restrictions imposed by the individual's impairment(s) and related symptoms, such as pain, affect only the ability to meet the strength demands of jobs (i.e., sitting, standing, walking, lifting, carrying, pushing, and pulling), the individual is considered to have only exertional limitations. 20 CFR 416.969a(b). To determine the exertional requirements, or physical demands, of work in the national economy, jobs are classified as sedentary, light, medium, heavy, and very heavy. 20 CFR 416.967; 20 CFR 416.969a(a).

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.

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. To be considered capable of performing a full or wide range of light work, [an individual] must have the ability to do substantially all of these activities. If someone can do light work, ... he or she can also do sedentary work, unless there are additional limiting factors such as loss of fine dexterity or inability to sit for long periods of time.

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, ... he or she can also do sedentary and light work.

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, ... he or she can also do medium, light, and sedentary work.

Very heavy work.

Very heavy work involves lifting objects weighing more than 100 pounds at a time with frequent lifting or carrying of objects weighing 50 pounds or more. If someone can do very heavy work, ... he or she can also do heavy, medium, light, and sedentary work.

20 CFR 416.967.

If an individual has limitations or restrictions that affect the ability to meet demands of jobs **other than** strength, or exertional, demands, the individual is considered to have only nonexertional limitations or restrictions. 20 CFR 416.969a(a) and (c). Examples of non-exertional limitations or restrictions include difficulty functioning 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., unable to 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).

In this case, Petitioner testified that she had shoulder, neck, back and groin pain that limited her ability to lift her left arm higher than shoulder level, move her neck, and move her right leg and foot. Because of her pain, she was limited to walking a half-block, sitting no more than 30 minutes, standing no more than 30 minutes, and lifting less than five pounds. She was homeless, moving between living with her aunt and parents. She could take care of her personal hygiene and dress herself. She could shop but used the cart to lean onto. She tried to clean up after herself. She took medication to control her pain, including MS contin, Percocet and Neurontin, but the medication made her drowsy and affected her memory.

Petitioner's doctor indicted that Petitioner had cervical root lesions, lumbosacral root lesions and CTS that limited her to occasionally lifting and carrying up to 10 pounds but never more, standing and/or walking less than 2 hours in an 8 hour day, sitting less than 6 hours in an 8-hour day. He indicated that she could not use either arm or hand to reach, push/pull or fine manipulate. In making his conclusions, the doctor relied on a lumbar spine MRI; and lumbar spine MRI; and lumbar spine MRI; and lumbar spine MRI; and lumbar spine MRI, which evidenced stenosis and disc budging at the cervical and lumbar spine, spondylotic degenerative changes at the lumbar and thoracic spine, mild mononeuropathy affecting the right wrist, and mild right polyradiculopathy without ongoing denervation.

The consulting doctor who examined Petitioner at the Department's request on found that she had chronic cervical and lumbar pain, a history of CTS, and anxiety. He noted she had a normal gait and was able to get on and off the examination

table but had markedly restricted movements, citing limitations in her lower back flexion, backward extension, lateral flexion on each side, and neck movements. He also noted that she was on considerable pain medication and had definite superlative anxiety. He listed her prognosis as fair.

With respect to Petitioner's exertional limitations, it is found based on a review of the entire record, including the effects of medication on Petitioner's ability to work, the medical evidence supporting limitations on her ability to stand/walk, sit, reach, push/pull, or fine manipulate, and the consulting doctor's finding of "definite superlative anxiety," that Petitioner maintains the physical capacity to perform less than sedentary work. Petitioner's RFC is considered at both steps four and five. 20 CFR 416.920(a)(4), (f) and (g).

Step Four

Step 4 in analyzing a disability claim requires an assessment of Petitioner's RFC and past relevant employment. 20 CFR 416.920(a)(4)(iv). Past relevant work is work that has been performed within the past 15 years that was SGA and that lasted long enough for the individual to learn the position. 20 CFR 416.960(b)(1). An individual who has the RFC to meet the physical and mental demands of work done in the past is not disabled. *Id.*; 20 CFR 416.960(b)(3); 20 CFR 416.920. Vocational factors of age, education, and work experience, and whether the past relevant employment exists in significant numbers in the national economy are **not** considered. 20 CFR 416.960(b)(3).

Petitioner's work history in the 15 years prior to the application consists of work as a medical biller, waitress, and office manager. Petitioner's past employment as a waitress involved medium to heavy work; her employment as a medical biller involved sedentary work. As determined in the RFC analysis above, Petitioner is limited to less than sedentary work activities. In light of the entire record and Petitioner's RFC, it is found that Petitioner is unable to perform past relevant work. Accordingly, Petitioner cannot be found disabled, or not disabled, at Step 4 and the assessment continues to Step 5.

Step 5

In Step 5, an assessment of Petitioner's RFC 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). If the individual can adjust to other work, then there is no disability. Disability is found if an individual is unable to adjust to other work.

At this point in the analysis, the burden shifts from Petitioner to the Department to present proof that Petitioner has the RFC to obtain and maintain 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). When the impairment(s) and related

symptoms, such as pain, only affect the ability to perform the exertional aspects of work-related activities, Medical-Vocational guidelines found at 20 CFR Subpart P, Appendix 2, 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).

In this case, Petitioner was 43 years old at the time of application and 44 years old at the time of hearing and, thus, considered to be a younger individual (age 18-44) for purposes of Appendix 2. She is a high school graduate with a history of unskilled work experience. As discussed above, Petitioner maintains the RFC for work activities on a regular and continuing basis to meet the physical demands to perform less than sedentary work activities. In this case, the Medical-Vocational Guidelines, Appendix 2 do not support a finding that Petitioner is not disabled based on her exertional limitations. The Department has failed to counter with evidence of significant numbers of jobs in the national economy which Petitioner could perform despite her limitations. See SSR 96-9p (providing that, where there is more than a slight impact on the individual's ability to perform the full range of sedentary work, there must be examples of occupations the individual can do with a statement of the incident of such work in the region where the individual resides). Therefore, the Department has failed to establish that, based on her RFC and age, education, and work experience, Petitioner can adjust to other work. Therefore, Petitioner is 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 Petitioner **disabled** for purposes of the SDA benefit program.

DECISION AND ORDER

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING 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. Reregister and process Petitioner's SDA application to determine if all the other non-medical criteria are satisfied and notify Petitioner of its determination;
- 2. Supplement Petitioner for lost benefits, if any, that Petitioner was entitled to receive if otherwise eligible and qualified;

3. Review Petitioner's continued eligibility in April 2016.

Alice C. Elkin

Administrative Law Judge for Nick Lyon, Director Department of Health and Human Services

AICA

Date Signed: 12/29/2015

Date Mailed: 12/29/2015

ACE / hw

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 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

