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

IN THE MATTER OF:



MAHS Reg. No.: 15-022984 Issue No.: 4009

Agency Case No.:

Hearing Date: February 8, 2016

County: Muskegon

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on February 8, 2016, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by manager.

<u>ISSUE</u>

The issue is whether MDHHS properly denied Petitioner's State Disability Assistance (SDA) eligibility for the reason that Petitioner is not a disabled individual.

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 applied for SDA benefits.
- Petitioner's only basis for SDA benefits was as a disabled individual.
- 3. On _____, the Medical Review Team (MRT) determined that Petitioner was not a disabled individual (see Exhibits 66-59).

- 4. On _____, MDHHS denied Petitioner's application for SDA benefits and mailed a Notice of Case Action (Exhibit 1, pp. 68-67) informing Petitioner of the denial.
- 5. On SDA benefits.
- 6. As of the date of the administrative hearing, Petitioner was a 42-year-old male.
- 7. As of the date of the administrative hearing, Petitioner did not have employment earnings amounting to substantial gainful activity.
- 8. Petitioner's highest education year completed was the 12th grade.
- 9. Petitioner has a history of unskilled employment, with no known transferrable job skills.
- 10. Petitioner alleged disability based on restrictions related to Crohn's disease, tachycardia, agoraphobia, and back problems.

CONCLUSIONS OF LAW

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. MDHHS administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180. MDHHS policies for SDA are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

SDA provides financial assistance to disabled adults who are not eligible for Family Independence Program (FIP) benefits. BEM 100 (1/2013), p. 4. The goal of the SDA program is to provide financial assistance to meet a disabled person's basic personal and shelter needs. *Id.* To receive SDA, a person must be disabled, caring for a disabled person, or age 65 or older. BEM 261 (1/2012), p. 1.A person is disabled for SDA purposes if he/she:

- receives other specified disability-related benefits or services, see Other Benefits or Services below, or
- resides in a qualified Special Living Arrangement facility, or
- is certified as unable to work due to mental or physical disability for at least 90 days from the onset of the disability; or
- is diagnosed as having Acquired Immunodeficiency Syndrome (AIDS).
 Id.

There was no evidence that any of the above circumstances apply to Petitioner. Accordingly, Petitioner may not be considered for SDA eligibility without undergoing a

medical review process (see BAM 815) which determines whether Petitioner is a disabled individual. *Id.*, p. 3.

Generally, state agencies such as MDHHS must use the same definition of SSI disability as found in the federal regulations. 42 CFR 435.540(a). Disability is federally defined as the inability to do any substantial gainful activity (SGA) 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. SDA differs in that a 90 day period is required to establish disability.

SGA means a person does the following: performs significant duties, does them for a reasonable length of time, and does a job normally done for pay or profit. *Id.*, p. 9. Significant duties are duties used to do a job or run a business. *Id.* They must also have a degree of economic value. *Id.* The ability to run a household or take care of oneself does not, on its own, constitute SGA. *Id.*

The person claiming a physical or mental disability has the burden 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 ability to reason and make appropriate mental adjustments, if a mental disability is alleged. 20 CFR 413.913. 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).

Federal regulations describe a sequential five step process that is to be followed in determining whether a person is disabled. 20 CFR 416.920. If there is no finding of disability or lack of disability at each step, the process moves to the next step. 20 CFR 416.920 (a)(4).

The first step in the process considers a person's current work activity. 20 CFR 416.920 (a)(4)(i). A person who is earning more than a certain monthly amount is ordinarily considered to be engaging in SGA. The monthly amount depends on whether a person is statutorily blind or not. The 2016 monthly income limit considered SGA for non-blind individuals is \$1,130.00.

Petitioner credibly denied performing current employment; no evidence was submitted to contradict Petitioner's testimony. Based on the presented evidence, it is found that Petitioner is not performing SGA. Accordingly, the disability analysis may proceed to the second step.

The second step in the disability evaluation is to determine whether a severe medically determinable physical or mental impairment exists to meet the durational requirement. 20 CFR 416.920 (a)(4)(ii). The impairments may be combined to meet the severity

requirement. If a severe impairment is not found, then a person is deemed not disabled. *Id.*

The impairments must significantly limit a person's basic work activities. 20 CFR 416.920 (a)(5)(c). "Basic work activities" refers to the abilities and aptitudes necessary to do most jobs. *Id.* Examples of basic work activities include:

- physical functions (e.g. walking, standing, sitting, lifting, pushing, pulling, reaching, carrying, or handling)
- capacities for seeing, hearing, and speaking, understanding; carrying out, and remembering simple instructions
- use of judgment
- responding appropriately to supervision, co-workers and usual work situations; and/or
- dealing with changes in a routine work setting.

Generally, federal courts have imposed a de minimus standard upon petitioners to establish the existence of a severe impairment. *Grogan v. Barnhart*, 399 F.3d 1257, 1263 (10th Cir. 2005); *Hinkle v. Apfel*, 132 F.3d 1349, 1352 (10th Cir. 1997). *Higgs v Bowen*, 880 F2d 860, 862 (6th Cir. 1988). Similarly, Social Security Ruling 85-28 has been interpreted so that a claim may be denied at step two for lack of a severe impairment only when the medical evidence establishes a slight abnormality or combination of slight abnormalities that would have no more than a minimal effect on an individual's ability to work even if the individual's age, education, or work experience were specifically considered. *Barrientos v. Secretary of Health and Human Servs.*, 820 F.2d 1, 2 (1st Cir. 1987). Social Security Ruling 85-28 has been clarified so that the step two severity requirements are intended "to do no more than screen out groundless claims." *McDonald v. Secretary of Health and Human Servs.*, 795 F.2d 1118, 1124 (1st Cir. 1986).

SSA specifically notes that age, education, and work experience are not considered at the second step of the disability analysis. 20 CFR 416.920 (5)(c). In determining whether Petitioner's impairments amount to a severe impairment, all other relevant evidence may be considered. The analysis will begin with a summary of presented medical documentation.

Physician office visit notes (Exhibit 1, pp. 29-27) dated was noted that Petitioner lost insurance 2 years earlier and has not had a B12 injection since. Petitioner's Crohn's disease symptoms were noted to be "severe." It was noted Petitioner was a pack per day smoker. Normal gait and full range of motion in all joints was noted. A plan for a B12 injection was noted.

Physician office visit notes (Exhibit 1, pp. 32-30) dated , were presented. It was noted that Petitioner complained of back pain, ongoing for 20 years. It was noted Petitioner took only medical marijuana to treat his pain. Normal gait and full range of

motion in all joints was noted. A referral to a gastroenterologist concerning Crohn's disease was noted.

Physician office visit notes (Exhibit 1, pp. 35-33 dated presented. It was noted that Petitioner received a B12 injection.

Hospital documents (Exhibit 1, pp. 13-7) dated was noted Petitioner presented with complaints of intermittent episodes of a fast heart rate, ongoing for several months. It was noted an EKG revealed sinus tachycardia with non-specific ST wave changes. A history of anxiety was noted. A plan to follow-up with his physician and mental health treatment was noted. A discharge date of was noted.

Hospital emergency room documents (Exhibit 1, pp. 20-14, 5-4) dated were presented. It was noted Petitioner presented with complaints of headache, ongoing for 2 days. A CT report of Petitioner's brain (Exhibit 1, p. 25) indicated an impression of a negative study. Petitioner was discharged with a final diagnosis of cephalalgia.

A mental status examination report (Exhibit 1, pp.45-40) dated presented. The report was noted as completed by a consultative licensed psychologist. The following mental health symptoms were reported by Petitioner: depression (ongoing for most of life), social withdrawal and isolation, feelings of hopelessness and worthlessness, suicidal ideation, crying spells, subpar concentration, and lack of anger control. It was noted Petitioner rode a ½ mile on his bicycle to attend the appointment. Noted assessments of Petitioner made by the consultative examiner included the following: no notable gait or posture problems, in contact with reality, cooperative, no motor coordination problems, clear speech, logical thought process, and depressed and anxious affect. Diagnoses of major depressive disorder (recurrent and moderate) and anxiety disorder were noted. Petitioner's GAF was noted to be 50-55. The examiner prognosticated that Petitioner's potential for becoming gainfully employed in simple and unskilled work was guarded-to-poor, pending medical resolution.

The consultative licensed psychologist also completed a Mental Residual Functional Capacity Assessment (Exhibit 1, pp. 39-38) on . This form lists 20 different work-related activities among four areas: understanding and memory, sustained concentration and persistence, social interaction and adaptation. A therapist or physician rates the patient's ability to perform each of the 20 abilities as either "not significantly limited", "moderately limited", "markedly limited" or "no evidence of limitation". The consultative psychologist listed no marked limitations for Petitioner. Petitioner was found to be moderately limited in completing a normal workday without psychological interruption, maintaining concentration for extended understanding and remembering detailed instructions, carrying-out detailed instructions, interacting with the public, and getting along with coworkers without being a distraction.

An internal medicine examination report (Exhibit 1, pp.58-55) dated was presented. The report was noted as completed by a consultative physician. Petitioner reported complaints of Crohn's disease (symptoms of abdominal pain and diarrhea), bipolar disorder (symptoms of crying spells and anxiety), back pain, and foot pain. Physical and mental examination findings included the following assessments: cooperative (though difficult to elicit information), anxious and depressed appearance, regular heart rate and rhythm, intact ranges of motion, good gait, and normal neurology. Petitioner's blood pressure was noted to be "borderline." The examiner noted the physical examination was "not very remarkable" concerning degenerative arthritis. The examiner also noted Petitioner showed no difficulty with foot pain during the examination.

Petitioner testimony alleged disability, in part, due to foot edema and chronic arthritis. Neither diagnosis was apparent in presented documents. Petitioner did not establish a severe impairment related to foot edema or arthritis.

Petitioner testified he has degenerative back disease. Petitioner testified he was last treated for back problems in 2009. Petitioner testified his treatment history included steroid injections and pain medications. Petitioner testified he tried physical therapy, though he stopped because it increased his pain. Petitioner testified he cannot have back surgery due to Crohn's disease.

One treatment for back problems was verified. Petitioner did not present any radiology. Multiple physical examinations noted no difficulties with gait or range of motion. Due to the lack of objective medical evidence, Petitioner failed to establish a severe impairment related to back problems.

Petitioner testimony alleged disability, in part, due to tachycardia. Petitioner testified he does not take medication for the problem because symptoms do not often occur. Petitioner testified stress can trigger his heart to race.

Petitioner verified a single treatment for tachycardia. An EMG verified some abnormalities, though presumably nothing alarming, as no follow-up treatment was verified. Petitioner failed to establish tachycardia causes severe impairments.

Petitioner alleged disability, in part, due to Crohn's disease. Medical records noted Petitioner underwent a bowel resection in 2002. Presented records verified the diagnosis and some treatment for the disease. Petitioner testified the disease causes him to use the restroom several times per day. Petitioner testified, when he worked, he used the restroom less by not eating during his shift. Petitioner testified he was previously treated with opiates but switched to medical marijuana because "it worked better." Petitioner testified edible marijuana works best. Petitioner testified he often missed janitorial shifts due to flare-ups.

Crohn's disease is understood to be a bowel disease causing inflammation of digestive tract lining. It is understood to be very disruptive with symptoms ranging from increased bathroom trips, diarrhea, abdominal pain, and malnutrition. The mere diagnosis is indicative of impairments to performing basic work activities.

Petitioner alleged disability, in part, due to bipolar disorder; a diagnosis for bipolar disorder was not apparent. Petitioner testified he struggles with agoraphobia and anxiety.

A consultative examination report noted Petitioner had some psychological restrictions related to anxiety and people. The evidence was sufficient to justify an inference of psychological impairment.

It is found that Petitioner established significant impairment to basic work activities for a period longer than 90 days. Accordingly, it is found that Petitioner established having a severe impairment and the disability analysis may proceed to Step 3.

The third step of the sequential analysis requires determining whether the Petitioner's impairment, or combination of impairments, is listed in 20 CFR Part 404, Subpart P, appendix 1. 20 CFR 416.920 (a)(4)(iii). If a petitioner's impairments are listed and deemed to meet the durational requirement, then the petitioner is deemed disabled. If the impairment is unlisted or impairments do not meet listing level requirements, then the analysis proceeds to the next step.

Petitioner primarily alleged disability related to Crohn's disease. Crohn's disease is an inflammatory bowel disease covered by Listing 5.06 which reads as follows:

- **5.06** *Inflammatory bowel disease (IBD)*documented by endoscopy, biopsy, appropriate medically acceptable imaging, or operative findings with:
- **A.** Obstruction of stenotic areas (not adhesions) in the small intestine or colon with proximal dilatation, confirmed by appropriate medically acceptable imaging or in surgery, requiring hospitalization for intestinal decompression or for surgery, and occurring on at least two occasions at least 60 days apart within a consecutive 6-month period.

 OR
- **B.** Two of the following despite continuing treatment as prescribed and occurring within the same consecutive 6-month period:
 - 1. Anemia with hemoglobin of less than 10.0 g/dL, present on at least two evaluations at least 60 days apart; or
 - 2. Serum albumin of 3.0 g/dL or less, present on at least two evaluations at least 60 days apart; or
 - 3. Clinically documented tender abdominal mass palpable on physical examination with abdominal pain or cramping that is not completely controlled by prescribed narcotic medication, present on at least two evaluations at least 60 days apart; or

- 4. Perineal disease with a draining abscess or fistula, with pain that is not completely controlled by prescribed narcotic medication, present on at least two evaluations at least 60 days apart; or
- 5. Involuntary weight loss of at least 10 percent from baseline, as computed in pounds, kilograms, or BMI, present on at least two evaluations at least 60 days apart; or
- 6. Need for supplemental daily enteral nutrition via a gastrostomy or daily parenteral nutrition via a central venous catheter.

Presented documents failed to verify any of the above circumstances. Petitioner failed to establish meeting the listing for inflammatory bowel disease.

A listing for anxiety-related disorders (Listing 12.06) was considered based on complaints of anxiety. This listing was rejected due to a failure to establish marked restrictions in social functioning, completion of daily activities or concentration. It was also not established that Petitioner had a complete inability to function outside of the home.

It is found that Petitioner failed to establish meeting a SSA listing. Accordingly, the analysis moves to the fourth step.

The fourth step in analyzing a disability claim requires an assessment of the Petitioner's residual functional capacity (RFC) and past relevant employment. 20 CFR 416.920(a)(4)(iv). An individual is not disabled if it is determined that a petitioner can perform past relevant work. *Id*.

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). RFC is assessed based on impairment(s), and any related symptoms, such as pain, which may cause physical and mental limitations that affect what can be done in a work setting. RFC is the most that can be done, despite the limitations.

Petitioner testified he has a history of janitorial employment. Petitioner testified his duties included cleaning classrooms and bathrooms, basic maintenance, and lawn maintenance. Petitioner testimony indicated he could not perform the standing required of his past employment. For purposes of this decision, Petitioner's testimony will be accepted. It is found Petitioner cannot perform past employment and the analysis may proceed to the final step.

In the fifth step in the process, the individual's RFC in conjunction with his or her age, education, and work experience, are considered to determine whether the individual can engage in any other substantial gainful work which exists in the national economy. SSR

83-10. 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). To determine the physical demands (i.e. 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 all of these activities. *Id.* An individual capable of light work is also capable of 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 are considered non-exertional. 20 CFR 416.969a(a). Examples of non-exertional limitations 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 (e.g. 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. *Id.* In using the rules of Appendix 2, an individual's circumstances, as indicated by the findings with respect to RFC, age, education, and work experience, is compared to the pertinent rule(s).

Social Security Rule 83-10 states that the full range of light work requires standing or walking, off and on, for a total of approximately 6 hours of an 8-hour workday. The analysis will examine whether Petitioner can perform light employment.

Physician statements of Petitioner restrictions were not presented. Restrictions can be inferred based on presented documents.

Very little treatment for Crohn's disease was verified. It was verified Petitioner needed a B12 injection back in 2014. It is concerning Petitioner's symptoms were described as "severe", however, that was after an apparent 2 year lapse in treatment. Thus, it is reasonable that Petitioner's symptoms became less severe after attending regular treatments. A more recent consultative examination did not indicate notable significant difficulties. Treatment records after September 2014 for Crohn's disease were not presented. It is found Petitioner can perform the requirements of light employment.

Petitioner also alleged non-exertional impairments. A consultative psychologist provided a concerning prognosis of poor-to-guarded for sustaining even simple employment. Such a prognosis is not encouraging for Petitioner's employment opportunities. The prognosis was also noted to be pending medical resolution. Thus, it can be presumed that Petitioner's prognosis could improve with medical treatment.

Petitioner presented zero treatment history for psychological impairments. Petitioner testimony did not indicate he sees a psychiatrist, psychologist, or therapist. Petitioner testified he was recently discharged from a psychiatric hospitalization, though records were not presented.

Despite the prognosis, the examiner did not find Petitioner had marked job-related ability restrictions. Petitioner was "not significantly limited" in following or carrying-out 1-2 step instructions; this consideration is indicative that Petitioner can perform non-complex employment. Universal job-related abilities of maintaining concentration and

completing a normal workday were noted to be moderately restricted. Such moderate restrictions are not sufficient to support an inference that Petitioner cannot perform any type of employment.

Presented evidence supports concluding that Petitioner is precluded from performing complex employment and employment involving significant public interaction. Evidence of jobs available to Petitioner were not presented, however, jobs within Petitioner's capability would include light janitorial, light assembly, clerical, office assistant, and others. The restrictions are not deemed to significantly erode Petitioner's potential light or sedentary employment base.

Based on Petitioner's exertional work level (light), age (younger individual), education (high school), employment history (unskilled with no known transferrable skills), Medical-Vocational Rule 202.20 is found to apply. This rule dictates a finding that Petitioner is not disabled. Accordingly, it is found that MDHHS properly found Petitioner to be not disabled for purposes of SDA benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly denied Petitioner's SDA benefit application dated based, based on a determination that Petitioner is not disabled. The actions taken by MDHHS are **AFFIRMED**.

Christian Gardocki

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

Date Signed: February 11, 2016

Date Mailed: February 11, 2016

CG / 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 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

