



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

MIKE ZIMMER  
DIRECTOR



Date Mailed: March 3, 2016  
MAHS Docket No.: 15-021875  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Aaron McClintic

### **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, a 3-way telephone hearing was held on February 3, 2016, from Lansing, Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by [REDACTED]

### **ISSUE**

Whether the Department properly determined 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. Petitioner applied for SDA on October 27, 2014.
2. The file was returned from the Medical Review Team as a deferral on August 14, 2015 requesting additional medical evidence.
3. The file was referred back to Medical Review Team on October 28, 2015.
4. The Medical Review Team denied the application on November 6, 2015.
5. Petitioner filed a request for hearing on November 23, 2015, regarding the SDA denial.
6. A telephone hearing was held on February 3, 2016.
7. Petitioner is 5' 2" tall and weighs 180 pounds.

8. Petitioner is 45 years of age.
9. Petitioner's impairments have been medically diagnosed as bipolar disorder, anxiety and depression.
10. Petitioner has the following symptoms: panic attacks, insomnia, memory and concentration problems, auditory hallucinations and paranoia.
11. Petitioner completed a bachelor's degree in social work.
12. Petitioner is able to read, write, and perform basic math skills.
13. Petitioner is not working. Petitioner last worked in May 2013 as a social worker.
14. Petitioner lives alone.
15. Petitioner testified that she can perform some household chores.
16. Petitioner takes the following prescribed medications:
  - a. Paxil
  - b. Wellbutrin
  - c. Buspar
  - d. Amitryptiline
  - e. lithium
  - f. Lipitor
  - g. synthroid
17. In a letter dated [REDACTED], Petitioner's treating physician stated the following: "I am writing on behalf of my patient at her request concerning her need for disability. My patient has been Bipolar I for many years and has had difficulty functioning with this diagnosis with her most recent bout of depression extending several years. For this reason I encourage my patient to seek disability as she has tried multiple medications with little improvement in her depression. Ms. Johnson has been a diligent patient over the time I have treated her and has tried everything in her power to relieve these symptoms. For this reason I do not feel the added burden or work responsibility's (sic) would be conducive to her improvement."(Department ex.1, p.32)
18. In an Initial Bio-Psycho-Social Assessment dated [REDACTED], Petitioner was found to have a GAF score of [REDACTED] with diagnoses of generalized anxiety disorder and major depressive disorder. (Department ex. 1, p.128)
19. In a Psychiatric/ Psychological Medical Report dated [REDACTED], the consulting licensed psychologist found Petitioner to have a GAF score of [REDACTED]. Under prognosis the consulting psychologist wrote: "The Petitioner's prognosis is guarded to poor. The Petitioner's agoraphobia/panic is significantly impacting her ability to engage in regular activities, including socializing and being able to

find/sustain employment.” Petitioner’s diagnoses were found as panic disorder and bipolar I Disorder.

20. In a Mental Residual Functional Capacity Assessment dated [REDACTED], the consulting psychologist found Petitioner markedly limited in her ability to maintain attention and concentration for extended periods and in her ability to work in coordination with or proximity to others without being distracted by them. (Department ex.1, p.177-178)

### **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 State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, was established by 2004 PA 344. The Department administers the SDA program pursuant to 42 CFR 435, MCL 400.10 *et seq.* and Mich Admin Code, Rules 400.3151 – 400.3180. A person is considered disabled for SDA purposes if the person has a physical or mental impairment which meets federal Supplemental Security Income (SSI) disability standards for at least ninety days. Receipt of SSI benefits based on disability or blindness, or the receipt of MA benefits based on disability or blindness, automatically qualifies an individual as disabled for purposes of the SDA program.

Pursuant to Federal Rule 42 CFR 435.540, the Department uses the Federal Supplemental Security Income (SSI) policy in determining eligibility for disability under the MA-P program. Under SSI, 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.

Federal regulations require that the Department use the same operative definition for “disabled” as used for Supplemental Security Income (SSI) under Title XVI of the Social Security Act. 42 CFR 435.540(a).

“Disability” is:

...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.

In determining whether an individual is disabled, 20 CFR 416.920 requires the trier of fact to follow a sequential evaluation process by which current work activity, the severity of the impairment(s), residual functional capacity, and vocational factors (i.e., age, education, and work experience) are assessed in that order. When a determination that

an individual is, or is not, disabled can be made at any step in the sequential evaluation, evaluation under a subsequent step is not necessary.

First, the trier of fact must determine if the individual is working and if the work is substantial gainful activity. 20 CFR 416.920(b). In this case, the Petitioner is not working. Therefore, the Petitioner is not disqualified at this step in the evaluation.

The second step to be determined in considering whether the Petitioner is considered disabled is the severity of the impairment. In order to qualify the impairment must be considered severe, which is defined as an impairment which significantly limits an individual's physical or mental ability to perform basic work activities. Examples of these include:

1. Physical functions such as walking, standing, sitting, lifting, pushing, 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. 20 CFR 416.921(b).

In this case, the Petitioner's medical evidence of record supports a finding that Petitioner has significant physical and mental limitations upon Petitioner's ability to perform basic work activities such as walking, standing, sitting, lifting, pushing, pulling, reaching, carrying, or handling. Medical evidence has clearly established that the Petitioner has an impairment (or combination of impairments) that has more than a minimal effect on the Petitioner's work activities. See Social Security Rulings: 85-28, 88-13, and 82-63.

In this case, this Administrative Law Judge finds that Petitioner may be considered presently disabled at the third step. Petitioner meets listing 12.04 or its equivalent. The testimony of Petitioner's treating physician supports this position. This Administrative Law Judge will not continue through the remaining steps of the assessment. Petitioner's testimony and the medical documentation support the finding that Petitioner meets the requirements of the listing. Petitioner has other significant health problems that were not fully addressed in this decision because Petitioner is found to meet a listing for a different impairment. The opinion of the consulting psychologist is also consistent with this finding. No vocational expert appeared to testify on behalf of the Department.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that Petitioner is medically disabled as of October 2014.

Accordingly, the Department's decision is hereby **REVERSED** and the Department is ORDERED to:

1. Initiate a review of the application for SDA dated October 27, 2014, if not done previously, to determine Petitioner's non-medical eligibility.
2. The Department shall inform Petitioner of the determination in writing. A review of this case shall be set for February 2017.

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

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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:

[REDACTED]

DHHS

[REDACTED]

Petitioner

[REDACTED]