RICK SNYDER

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

SHELLY EDGERTON



Date Mailed: January 4, 2017 MAHS Docket No.: 16-017281

Agency No.:
Petitioner:

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 telephone hearing was held on December 15, 2016, from Lansing, Michigan. Petitioner appeared and testified on her own behalf. Family Independence Manager, appeared on behalf of the Department of Health and Human Services (Department).

PROCEDURAL HISTORY

The Department offered the following exhibits that were marked and admitted into evidence:

Department's Exhibit No. 1 (pages 1 through 91) is a copy of Medical-Social Eligibility Certification (DHS-49-A), Medical-Social Questionnaire (DHS-49-F), Disability Determination Service records, and Petitioner's medical records.

Petitioner's Exhibit A (pages 1 through 28) is a copy of Petitioner's records from , the and correspondence.

The record was closed at the conclusion of the hearing.

<u>ISSUE</u>

Did the Department properly deny Petitioner's application for State Disability Assistance (SDA) based on the finding that she was not disabled?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

- 1. On April 25, 2016, the Department received Petitioner's application for SDA benefits alleging disability.
- 2. On October 31, 2016, the Medical Review Team (MRT) denied Petitioner's application.
- 3. On October 31, 2016, the Department caseworker sent Petitioner notice that her application was denied.
- 4. On November 16, 2016, Petitioner filed a request for a hearing to contest the Department's action.
- 5. A telephone hearing was held on December 15, 2016.
- 6. To attend the hearing, Petitioner walked a distance of more than 1 block from the bus stop to the local office. Petitioner did not require the use of a cane, walker, or wheelchair.
- 7. During the hearing, Petitioner testified that in or around January 2013, she was injured in a motor vehicle accident as a passenger in a van. Petitioner did not visit the emergency room. Following the accident, Petitioner says she now has right-sided sciatic nerve pain, which radiates to her feet and toes. Petitioner also alleges that her legs will "go to sleep" and that she cannot use her right side. She claims to have muscle spasms and "nerve damage to her head" which causes memory loss. Petitioner also claims that her right knee also "gives out."
- 8. At the time of the hearing, Petitioner was 53 years-old with a birth date of Petitioner testified that she was 5 feet 7 inches tall and weighed approximately 262 lbs. Petitioner is right-hand dominant.
- 9. Petitioner has a high school education with some college.
- 10. Petitioner stated that she is currently unemployed and her past relevant work was as home care aide in 2008. Petitioner is not engaged in substantial gainful activity (SGA).
- 11. Petitioner has an unskilled work history that is transferrable to other jobs.

- 12. Petitioner's medical records show that she has the following medical conditions and/or treatment based on medically acceptable clinical and laboratory diagnostic techniques:
 - a. On ______, Petitioner's MRI of her spine showed: (1) annular tears noted posteriorly at the L2-L3 and L3-L4 levels with no disc hernia or extrusion; and (2) multilevel disc degeneration, spondylosis and facet arthritis. [Pet. Exh. A, pp. 21-22].
 - b. A property of the medial meniscal body and osteoarthritis. [Pet. Exh. A, pp. 19-20].
 - c. On Petitioner underwent an independent medical examination. The examining physician found that Petitioner had: (1) lumbar pain with right sciatica; (2) chronic neck pain with involvement of the right upper extremity; (3) obesity; (4) former smoker; and (5) right knee pain with a small meniscus tear and a lesion on the medical femoral condyle consistent with an enchondroma. Petitioner's cervical spine range of motion (ROM) was normal except for right and left lateral flexion and right rotation, which were below normal. The lumber spine ROMs were below normal for flexion and left lateral flexion. The right shoulder ROMs were normal. Petitioner was unable to perform right hip ROMs due to pain and left hip ROMs were slightly below normal levels. The remaining ROMs were unremarkable. The examiner acknowledged that Petitioner has a torn right meniscus and other knee problems, which may require surgery. The examiner recommended weight loss and physical therapy. [Dept. Exh. 1, pp. 17-20].
- 13. The objective medical records did not contain a written opinion from a licensed health professional that Petitioner is permanently disabled.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or Department) administers the MA program pursuant to MCL 400.10, et seq., and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

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 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. [Emphasis added].

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. The individual's impairment must result from anatomical, physiological, or psychological abnormalities which can be shown by medically acceptable clinical and laboratory diagnostic techniques. A physical or mental impairment must be established by medical evidence consisting of signs, symptoms, and laboratory findings, not only the individual's statement of symptoms. 20 CFR 416.908; 20 CFR 416.927. Proof must be in the form of medical evidence showing that the individual has impairment and the nature and extent of its severity. 20 CFR 416.912. Information must be sufficient to enable a determination as to the nature and limiting effects of the impairment for the period in question, the probable duration of the impairment and the residual functional capacity to do work-related physical and mental activities. 20 CFR 416.913.

Medical findings must allow a determination of: (1) the nature and limiting effects of the impairment(s) for any period in question; (2) the probable duration of the impairment; and (3) the residual functional capacity to do work-related physical and mental activities. 20 CFR 416.913(d).

Medical evidence may contain medical opinions. Medical opinions are statements from physicians and psychologists or other acceptable medical sources that reflect judgments about the nature and severity of the impairment(s), including the individual's symptoms, diagnosis and prognosis, what an individual can do despite impairment(s), and the physical or mental restrictions. 20 CFR 416.927(a)(2).

All of the evidence relevant to the claim, including medical opinions, is reviewed and findings are made. 20 CFR 416.927(c). A statement by a medical source finding that an individual is "disabled" or "unable to work" does not mean that disability exists for the purposes of the program. 20 CFR 416.927(e). Statements about pain or other symptoms do not alone establish disability. 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.

There must be medical signs and laboratory findings which demonstrate a medical impairment.... 20 CFR 416.929(a).

... Medical reports should include -

(1) Medical history.

- (2) Clinical findings (such as the results of physical or mental status examinations);
- (3) Laboratory findings (such as blood pressure, X-rays);
- (4) Diagnosis (statement of disease or injury based on its signs and symptoms).... 20 CFR 416.913(b).

In determining disability under the law, the ability to work is measured. An individual's functional capacity for doing basic work activities is evaluated. If an individual has the ability to perform basic work activities without significant limitations, he or she is not considered disabled. 20 CFR 416.994(b)(1)(iv).

Basic work activities are the abilities and aptitudes necessary to do most jobs. Examples of these 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.

See 20 CFR 416.921(b).

The law does not require an applicant to be completely symptom free before a finding of lack of disability can be rendered. In fact, if an applicant's symptoms can be managed to the point where substantial gainful activity can be achieved, a finding of not disabled must be rendered.

The Administrative Law Judge is responsible for making the determination or decision about whether the statutory definition of disability is met. The Administrative Law Judge reviews all medical findings and other evidence that support a medical source's statement of disability.... 20 CFR 416.927(e).

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 five-step 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 (e.g. 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 there is a finding that an individual is disabled or not disabled at any point in the review, there will be no further evaluation. 20 CFR 416.920.

At step one, the Administrative Law Judge must determine whether the individual is engaging in substantial gainful activity (20 CFR 404.1520(b) and 416.920(b)). Substantial gainful activity (SGA) is defined as work activity that is both substantial and gainful. "Substantial work activity" is work activity that involves doing significant physical or mental activities (20 CFR 404.1572(a) and 416.972(a)). "Gainful work activity" is work that is usually done for pay or profit, whether or not a profit is realized (20 CFR 404.1572(b) and 416.972(b)). Generally, if an individual has earnings from employment or self-employment above a specific level set out in the regulations, it is presumed that he or she has demonstrated the ability to engage in SGA (20 CFR 404.1574, 404.1575, 416.974, and 416.975). If an individual engages in SGA, he or she is not disabled regardless of how severe his or her physical or mental impairments are and regardless of his or her age, education, and work experience. If the individual is not engaging in SGA, the analysis proceeds to the second step.

At the time of the hearing, Petitioner provided credible testimony that she was unemployed and last worked in 2008. Petitioner is not engaged in SGA. Therefore, Petitioner is not disqualified from receiving disability at step one and the analysis proceeds to step two.

At step two, the Administrative Law Judge must determine whether the individual has a medically determinable impairment that is "severe" or a combination of impairments that is "severe" (20 CFR 404.1520(c) and 416.920(c)). An impairment or combination of impairments is "severe" within the meaning of the regulations if it significantly limits an individual's ability to perform basic work activities. An impairment or combination of impairments is "not severe" when medical and other evidence establish only a slight abnormality or a combination of slight abnormalities that would have no more than a minimal effect on an individual's ability to work (20 CFR 404.1521 and 416.921; Social Security Rulings (SSRs) 85-28, 96-3p, and 96-4p). If the person does not have a severe medically determinable impairment or combination of impairments, he or she is not disabled.

At this step, the Administrative Law Judge must also evaluate the individual's symptoms to see if there is an underlying medically determinable physical or mental impairment that could reasonably be expected to produce pain or other symptoms. This must be

shown by medically acceptable clinical and laboratory diagnostic techniques. Once an underlying physical or mental impairment has been shown, the Administrative Law Judge must evaluate the intensity, persistence, and limiting effects of the individual's symptoms to determine the extent to which they limit his or her ability to do basic work activities. For this purpose, whenever statements about the intensity, persistence, or functionally limiting effects of pain or other symptoms are not substantiated by objective medical evidence, a finding on the credibility of the statements based on a consideration of the entire case record must be made.

In the present case, Petitioner alleges disability due to right-sided neck, back, hip, knee, hand, and foot problems following a motor vehicle accident that occurred in 2013. As summarized in the above Findings of Fact, Petitioner has presented objective medical evidence establishing that she does have some limitations on the ability to perform basic work activities. The records do show that Petitioner has a torn right meniscus (knee), annular tears noted posteriorly at the L2-L3 and L3-L4 levels with no disc hernia or extrusion, multilevel disc degeneration, spondylosis and facet arthritis. [Pet. Exh. A, pp. 19-22]. The objective medical records did not contain a written opinion from a licensed health professional, psychologist, or psychiatrist that Petitioner is permanently disabled from work. Accordingly, the medical evidence in this record shows that Petitioner may have an impairment, or combination thereof, that has more than a *de minimis* effect on her basic work activities. This means that Petitioner survives dismissal past step two, but it does not mean that Petitioner is necessarily disabled.

After an individual has shown the presence of an underlying physical or mental impairment, she must also show that the impairment, or impairments, possess the requisite intensity, persistence, and limiting effects such that it would limit her ability to do basic work activities.

At step three, the Administrative Law Judge must determine whether the individual's impairment or combination of impairments meets or medically equals the criteria of an impairment listed in 20 CFR Part 404, Subpart P, Appendix 1 (20 CFR 404.1520(d), 404.1525, 404.1526, 416.920(d), 416.925, and 416.926). If the individual's impairment or combination of impairments meets or medically equals the criteria of a listing and meets the duration requirement (20 CFR 404.1509 and 416.909), the individual is disabled. If it does not, the analysis proceeds to the next step.

In the instant matter, Petitioner has a torn right meniscus (knee), annular tears noted posteriorly at the L2-L3 and L3-L4 levels with no disc hernia or extrusion, multilevel disc degeneration, spondylosis and facet arthritis. [Pet. Exh. A, pp. 19-22]. Based upon the objective medical evidence, the Administrative Law Judge will consider the following listings: 1.02 Major dysfunction of a joint (due to any cause) and 1.04 Disorders of the spine. 1.02 requires "gross anatomical deformity (e.g., subluxation, contracture, bony or fibrous ankylosis, instability) and chronic joint pain and stiffness with signs of limitation of motion or other abnormal motion of the affected joint(s), and findings on appropriate medically acceptable imaging of joint space narrowing, bony destruction, or ankylosis of

the affected joint(s)." This listing also requires either (a) "involvement of one major peripheral weight-bearing joint (i.e., hip, knee, or ankle), resulting in inability to ambulate effectively;" or (b) involvement of one major peripheral joint in each upper extremity (i.e., shoulder, elbow, or wrist-hand), resulting in inability to perform fine and gross movements effectively.

In order to meet listing 1.02 above, Petitioner must have the inability to ambulate effectively or (with regard to her upper extremities) have the inability to perform fine and gross movements effectively. Despite Petitioner's torn meniscus, she has shown the ability to ambulate effectively as she walked to the hearing from the bus stop without any assistance. In doing so, Petitioner covered a distance of at least 1 city block, which shows that she can ambulate effectively. Here, Petitioner does not meet or medically equal the requirements of listing 1.02.

With regard to 1.04, Petitioner must show that she has a disorder of the spine "(e.g., herniated nucleus pulposus, spinal arachnoiditis, spinal stenosis, osteoarthritis, degenerative disc disease, facet arthritis, vertebral fracture), resulting in compromise of a nerve root (including the cauda equina) or the spinal cord." Here, Petitioner has some tears and degeneration of her spine, but there is no evidence of the compromise of her nerve root. But even if the nerve root is affected, Petitioner possesses the ability to walk and perform the functions necessary for gainful employment. Accordingly, the medical evidence presented in this matter is not sufficient to meet the intent and severity requirements of any listing, or its equivalent.

Before considering step four of the sequential evaluation process, the Administrative Law Judge must first determine the individual's residual functional capacity (20 CFR 404.1520(e) and 416.920(e)). An individual's residual functional capacity is his or her ability to do physical and mental work activities on a sustained basis despite limitations from his/her impairments. In making this finding, all of the individual's impairments, including impairments that are not severe, must be considered (20 CFR 404.1520(e), 404.1545, 416.920(e), and 416.945; SSR 96-8p).

To determine the physical demands (exertional requirements) of work in the national economy, we classify jobs as sedentary, light, medium and heavy. These terms have the same meaning as they have in the *Dictionary of Occupational Titles*, published by the Department of Labor. 20 CFR 416.967. The terms are defined as follows:

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. 20 CFR 416.967(a).

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.... 20 CFR 416.967(b).

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, we determine that he or she can also do sedentary and light work. 20 CFR 416.967(c).

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, we determine that he or she can also do medium, light, and sedentary work. 20 CFR 416.967(d).

Here, Petitioner alleges that due to spine and right knee problems, she is unable to bend over, or use her right arm. Following a review of all of Petitioner's alleged impairments, coupled with the objective medical evidence, this Administrative Law Judge finds that she can lift/carry at least 10 to 15 lbs., and can stand, walk, or sit for at least 2 hours. Although Petitioner is right-hand dominant, she has not shown that she has significant limitations concerning the use of her left hand. Petitioner is able to sit, stand, walk, and use her hand(s). With regard to any claims of mental/emotional disability, the objective evidence demonstrates that Petitioner can concentrate such that she can tolerate the mental demands associated with competitive work. Petitioner possesses the ability to function in a structured setting and has the ability to understand. carry out, and remember simple instructions. Accordingly, Petitioner's use of judgment is not impaired. Petitioner can respond appropriately to supervision, co-workers, and usual work situations. In addition, the evidence shows that Petitioner has the ability to deal with normal changes in a routine work setting. Therefore, this Administrative Law Judge finds that Petitioner has the residual functional capacity to perform sedentary work on a sustained basis as defined by 20 CFR 416.967(b), on a non-exertional level.

At step four, the Administrative Law Judge must determine whether the individual has the residual functional capacity to perform the requirements of his or her past relevant work (20 CFR 404.1520(f) and 416.920(f). The term past relevant work means work performed (either as the individual actually performed it or as it is generally performed in the national economy) within the last 15 (fifteen) years or 15 (fifteen) years prior to the date that disability must be established. In addition, the work must have lasted long enough for the individual to learn to do the job and have been SGA (20 CFR 404.1560(b), 404.1565, 416.960(b), and 416.965). If the individual has the residual functional capacity to do his or her past relevant work, he or she is not disabled. If the individual is unable to do any past relevant work or does not have any past relevant work, the analysis proceeds to the fifth and last step.

In the present case, Petitioner testified that she worked as a home care aide. Working as a home care aide, as described by Petitioner at the hearing, would be considered medium to light work. Based on the above analysis, this Administrative Law Judge finds that Petitioner does not have the residual functional capacity to work as a home care aide. Therefore, Petitioner does not have the residual functional capacity to perform the requirements of her past relevant work.

At the fifth and final step of the sequential evaluation process (20 CFR 404.1520(g) and 416.920(g), the Administrative Law Judge must determine whether the individual is able to do **any** other work considering his or her residual functional capacity, age, education, and work experience. 20 CFR 416.920(4)(v). At this point in the analysis, the burden shifts from the individual applicant to the Department to present proof that the individual 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). If the individual is able to do other work, he or she is not disabled. If the individual is not able to do other work and meets the duration requirements, he or she is disabled.

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 for the Department 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 medical vocational guidelines can be found in 20 CFR, Subpart P, Appendix 2, Section 200.00. When the facts coincide with a particular guideline, the guideline directs a conclusion as to disability. 20 CFR 416.969.

Based upon the above-referenced medical-vocational guidelines, the Department has shown that Petitioner is capable of performing sedentary work with some limitations. According to the medical-vocational guidelines, Petitioner (age 53), who is considered a person closely approaching advanced age, with a high school diploma, an unskilled work history that is transferrable to other jobs and is capable of sedentary work, is not considered disabled pursuant to medical-vocational rule 201.13.

This Administrative Law Judge finds that Petitioner has not satisfied the burden of proof to show by competent, material and substantial evidence that she has an impairment or combination of impairments which would significantly limit the physical or mental ability to do basic work activities. 20 CFR 416.920(c). The Department has shown that Petitioner is not disabled from all work as she is capable of performing sedentary. Although Petitioner has cited medical problems, there is insufficient objective medical evidence to substantiate Petitioner's assertion that her alleged impairment(s) are severe enough to reach the criteria and definition of disability. Accordingly, this Administrative Law Judge concludes that Petitioner is not disabled as defined by the MA program criteria.

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 MAC R 400.3151-400.3180. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

With regard to Petitioner's request for disability under the SDA program, it should be noted that the Department's BEMs contain policy statements and instructions for caseworkers regarding eligibility for SDA. In order to receive SDA, "a person must be disabled, caring for a disabled person or age 65 or older." BEM, 261 (7-1-2015), p. 1.

A person is disabled for SDA purposes if he or she: (1) receives other specified disability-related benefits or services¹; or (2) resides in a qualified Special Living Arrangement facility; or (3) is certified as unable to work due to mental or physical disability for at least 90 days from the onset of the disability; or (4) is diagnosed as having Acquired Immunodeficiency Syndrome (AIDS). BEM 261, pp. 1-2. [Emphasis added].

As indicated in the above analysis, Petitioner does not meet the definition of disabled under the MA program and the evidence of record does not show that Petitioner is unable to work for a period exceeding ninety (90) days. In addition, this record does not show that Petitioner has met the requirements under BEM 261. Accordingly, this Administrative Law Judge finds that Petitioner <u>is not disabled</u> for purposes of the SDA program.

The Department has established by the necessary competent, material, and substantial evidence on the record that it acted in compliance with Department policy when it determined that Petitioner was not eligible to receive SDA benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department has appropriately established on the record that it acted in compliance with Department policy when it denied Petitioner's application for SDA.

¹Retirement, Survivors and Disability Insurance (RSDI) due to disability/blindness, Supplemental Security Income (SSI) due to disability/blindness, Medicaid as blind/disabled based on a disability examiner or MRT determination or hearing decision, or Michigan Rehabilitation Services.

Accordingly, the Department's decision is **AFFIRMED**.

IT IS SO ORDERED.

CAP/mc

C. Adam Purnell

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

DHHS

Petitioner