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GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: April 11, 2017
MAHS Docket No.: 16-014538-RECON
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Vicki Armstrong

DECISION AND ORDER ON RECONSIDERATION

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge (ALJ) 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 [REDACTED], from [REDACTED], Michigan. Petitioner personally appeared and testified. Petitioner submitted 15 exhibits which were admitted into evidence.

The Department of Health and Human Services (Department) was represented by Hearing Facilitator, [REDACTED]. [REDACTED] testified on behalf of the Department. The Department submitted 864 exhibits which were admitted into evidence along with the ALJ's six exhibits. The record was closed at the conclusion of the hearing.

ISSUE

Whether the Department properly determined that Petitioner was not disabled for the purpose of the State Disability Assistance (SDA) benefit program?

FINDINGS OF FACT

The ALJ, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

- (1) On [REDACTED], Petitioner filed an application for SDA benefits alleging disability.
- (2) On [REDACTED], the Medical Review Team (MRT) denied Petitioner's application for SDA.

- (3) On [REDACTED], the Department sent Petitioner notice that her application was denied. [ALJ Exh. 4].
- (4) On [REDACTED], Petitioner filed a request for a hearing to contest the Department's negative action.
- (5) Petitioner reported a history of anxiety, depression, ulnar nerve entrapment, and C5-C6-C7 and L5 disc problems requiring injections.
- (6) On [REDACTED], an MRI of Petitioner's lumbar spine revealed moderate degenerative disc disease at the L5-S1 level. The protruding disc was seen abutting the right S1 nerve root. [Dept. Exh. 415-416].
- (7) On [REDACTED], the MRI of Petitioner's cervical spine found a minimal 2mm degenerative retrolisthesis of C5 in relation to C6, there was also a right paracentral disc protrusion at that level which resulted in mild canal stenosis and mild flattening of the anterior right lateral aspect of the cervical spinal cord. The MRI showed mild bilateral neural foraminal narrowing right greater than left at that level. There was also a minimal disc bulge at C6-C7, not resulting in any appreciable canal stenosis. Also, mild degenerative changes involving the uncovertebral joints which contributed to the mild bilateral neural foraminal narrowing at the C6-C7 level, right greater than left. [Dept. Exh. 297-298].
- (8) On [REDACTED], Petitioner was discharged from physical therapy, which she had been attending since [REDACTED]. It was noted that Petitioner showed improvement with therapy sessions, but had plateaued with progress made at therapy. She still indicated mild tenderness and tension across the lower back. She had an increase in mobility and strength of lumbar spine and lower extremities. Petitioner was scheduled to get epidural injections at the cervical spine. She had improvement in a few activities of daily living, but still complained of pain with lift activities, home health activities, sleep, prolonged walking, etc. [Dept. Exh. 431-432].
- (9) On [REDACTED], Petitioner underwent a neurological surgery consultation. The surgical option of an anterior cervical discectomy and fusion of C5-C6 was discussed, pending the results of the neuromuscular electrodiagnosis (EMG). [Dept. Exh. 348-350].
- (10) On [REDACTED], Petitioner had a normal EMG of the left upper extremity. There was no evidence of left cervical radiculopathy, brachial plexopathy, compressive mononeuropathy, or peripheral polyneuropathy. [Dept. Exh. 598-599].

- (11) On [REDACTED], x-rays of Petitioner's cervical spine revealed spondylosis at C5-C6 and C6-C7. [Dept. Exh. 267].
- (12) On [REDACTED], Petitioner followed up with her neurologist for cervical radiculopathy and back pain. The neurologist noted that Petitioner experienced trauma in [REDACTED], due to a motor vehicle accident and an equestrian fall. She was diagnosed with cervical radiculopathy and ulnar nerve entrapment. [Petitioner's Exh. 10].
- (13) On [REDACTED], Petitioner underwent a psychiatric evaluation. Petitioner was diagnosed with Generalized Anxiety Disorder and Depressive Disorder due to Chronic Pain. [Dept. Exh. 553-554].
- (14) On [REDACTED], Petitioner returned to the neurological surgeon. Petitioner had undergone an EMG study which showed no true radicular symptoms at present. The MRI of her cervical spine showed disc degeneration. An anterior cervical discectomy and fusion were recommended if she developed radicular symptoms. Until then, conservative management was recommended. [Dept. Exh. 572-579].
- (15) On [REDACTED], Petitioner was discharged from physical therapy. She had a normal gait and negative straight leg testing. Improved lumbar range of motion within normal limits was also noted. Her muscle strength and endurance were good. [Dept. Exh. 496-497].
- (16) On [REDACTED], Petitioner was referred to a pain specialist. Petitioner received epidural injections at L3-L4, L4-L5 and L5-S1. [Dept. Exh. 225-227].
- (17) On [REDACTED], Petitioner underwent an independent psychological evaluation on behalf of the Department. Petitioner was brought to the interview by medical transit. Petitioner stated she rarely drove because she was nervous. She wore a back brace. The psychologist opined that Petitioner's memory and concentration were slightly impaired indicating mild difficulties with learning and retaining new information. She had a fund of knowledge consistent with her education. Her insight and judgment were appropriate. Her work-related failures seemed to correspond to her medical ailments. [Dept. Exh. 166-169].
- (18) On [REDACTED], Petitioner underwent an independent medical evaluation on behalf of the Department. During the examination, Petitioner was able to complete all tasks asked of her with mild to moderate difficulty, mainly due to pain. [Dept. Exh 157-159].
- (19) On [REDACTED], Petitioner's lumbar x-rays revealed degenerative endplate sclerosis and irregularity present at L5-S1. Moderate

intervertebral disc height loss was observed at L5-S1. There was also facet arthropathy present at L5-S1 with possible bilateral neural foraminal narrowing. Petitioner's cervical x-rays showed degenerative endplate sclerosis and irregularity at C5-C6 and C6-C7 and intervertebral disc height loss at C5-C6 and C6-C7. Shallow anteriorly directed osteophytes at C5-C6 and C6-C7 were noted. Posteriorly directed osteophytes at C5-C6 appeared to have progressed when compared to x-rays dated [REDACTED]. [Petitioner's Exh. 7-8].

- (20) On [REDACTED], Petitioner met with her treating physician. Petitioner presented with anxiety, depression, and acute grief. The physician indicated that Petitioner was disheveled, her affect was blunted and tearful. She was anxious and depressed and her judgment was impaired. The physician noted that her ability to concentrate was severely impaired. [Petitioner's Exh. 1-2].
- (21) On [REDACTED], Petitioner saw her pain specialist. Petitioner was being treated for cervical spondylosis without myelopathy, lumbosacral spondylosis without myelopathy, degeneration of cervical intervertebral disc, neck pain, lumbar radiculopathy, and cervical radiculopathy. The cervical radiculopathy had an onset date of [REDACTED]. Petitioner was administered a cervical epidural. [Petitioner's Exh. 3-6].
- (22) Petitioner is a 51-year-old woman, born on [REDACTED]. Petitioner is [REDACTED] tall, and weighs [REDACTED] pounds. Petitioner has a college education. Petitioner last worked in [REDACTED], as a cashier for 90 days. Prior to that she was a bus driver for four years.
- (23) Petitioner was appealing the denial of Social Security disability benefits at the time of the hearing.

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 Health and 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.

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 (90 days for SDA). 20 CFR 416.905(a). 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 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). 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.

When determining disability, the federal regulations require several factors to be considered including: (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).

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 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). If an impairment does not meet or equal a listed impairment, an individual's residual functional capacity is assessed before moving from Step 3 to Step 4. 20 CFR 416.920(a)(4); 20 CFR 416.945. Residual functional capacity is the most an individual can do despite the limitations based on all relevant evidence. 20 CFR 945(a)(1). An individual's residual functional capacity assessment is evaluated at both Steps 4 and 5. 20 CFR 416.920(a)(4). In determining disability, an individual's functional capacity to perform basic work activities is evaluated and if found that the individual has the ability to perform basic work activities without significant limitation, disability will not be found.

20 CFR 416.994(b)(1)(iv). In general, the individual has the responsibility to prove disability. 20 CFR 416.912(a). An impairment or combination of impairments is not severe if it does not significantly limit an individual's physical or mental ability to do basic work activities. 20 CFR 416.921(a). The individual has the responsibility to provide evidence of prior work experience; efforts to work; and any other factor showing how the impairment affects the ability to work. 20 CFR 416.912(c)(3)(5)(6).

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

As outlined above, the first step looks at the individual's current work activity. In the record presented, Petitioner is not involved in substantial gainful activity and testified that she has not worked since [REDACTED]. Therefore, she is not disqualified from receiving disability benefits under Step 1.

The severity of the individual's alleged impairment(s) is considered under Step 2. The individual bears the burden to present sufficient objective medical evidence to substantiate the alleged disabling impairments. In order to be considered disabled for MA purposes, the impairment must be severe. 20 CFR 916.920(a)(4)(ii); 20 CFR 916.920(b). 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 916.920(a)(4)(ii); 20 CFR 916.920(c). Basic work activities means the abilities and aptitudes necessary to do most jobs. 20 CFR 916.921(b). Examples 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. *Id.*

The second step allows for dismissal of a disability claim obviously lacking in medical merit. *Higgs v Bowen*, 880 F2d 860, 862 (CA 6, 1988). The severity requirement may still be employed as an administrative convenience to screen out claims that are totally

groundless solely from a medical standpoint. *Id.* at 863 citing *Farris v Sec of Health and Human Services*, 773 F2d 85, 90 n.1 (CA 6, 1985). An impairment qualifies as non-severe only if, regardless of a petitioner's age, education, or work experience, the impairment would not affect the petitioner's ability to work. *Salmi v Sec of Health and Human Services*, 774 F2d 685, 692 (CA 6, 1985).

In the present case, Petitioner alleges disability due to anxiety, depression, ulnar nerve entrapment, and C5-C6-C7 and L5 disc problems requiring epidural injections.

As previously noted, Petitioner bears the burden to present sufficient objective medical evidence to substantiate the alleged disabling impairment(s). As summarized above, Petitioner has presented some limited medical evidence establishing that she does have some physical limitations on her ability to perform basic work activities. The medical evidence has established that Petitioner has an impairment, or combination thereof, that has more than a *de minimis* effect on Petitioner's basic work activities. Further, the impairments have lasted continuously for twelve months; therefore, Petitioner is not disqualified from receipt of MA-P benefits under Step 2.

In the third step of the sequential analysis of a disability claim, the trier of fact must determine if the individual's impairment, or combination of impairments, is listed in Appendix 1 of Subpart P of 20 CFR, Part 404. Petitioner has alleged physical and mental disabling impairments due to anxiety, depression, ulnar nerve entrapment, and C5-C6-C7 and L5 disc problems requiring injections. Based on the evidence presented, Petitioner does not meet a listing.

Petitioner testified as to her daily pain and depression. The independent psychologist indicated Petitioner's memory and concentration were slightly impaired, but that her work-related failures corresponded with her medical ailments. The independent medical examination showed Petitioner was able to complete all tasks asked of her with mild to moderate difficulty, mainly due to pain. Petitioner's own physician indicated Petitioner's anxiety, grief, and depression severely impaired Petitioner's relationships, judgment, and ability to concentrate.

Petitioner has the burden of establishing her disability. The record evidence was insufficient to meet a listing. Therefore, the analysis continues to Step 4.

Before considering step four of the sequential evaluation process, the ALJ must first determine Petitioner's residual functional capacity. (20 CFR 404.1520(e) and 416.920(e)). An individual's residual functional capacity is his/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 Petitioner'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).

Petitioner testified that she had degenerative disc disease, a collapsed C5-C6 vertebrae, cervical radiculopathy, nerve entrapment, anxiety, and depression. She said

that she had increasing lower back pain and wore a back brace. She rated her pain as a nine on a scale of ten. Further, she said that she was unable to walk long distances and needed to change positions for relief. She estimated that she could sit and stand for 15 minutes and carry five pounds.

Based on the record evidence, Petitioner does not have the residual functional capacity to perform sedentary work as defined in 20 CFR 404.1567(a). In making this finding, the ALJ considered all of Petitioner's symptoms and the extent to which these symptoms can reasonably be accepted as consistent with the objective medical evidence and other evidence.

After considering the evidence of record, the ALJ finds that Petitioner's medically determinable impairments could reasonably be expected to produce the alleged symptoms, and that Petitioner's statements concerning the intensity, persistence, and limiting effects of these symptoms are generally credible.

Next, the ALJ must determine at step four whether Petitioner has the residual functional capacity to perform the requirements of her past relevant work. (20 CFR 404.1520(f) and 416.920(f)). The term past relevant work means work performed (either as Petitioner actually performed it or as it is generally performed in the national economy) within the last 15 years or 15 years prior to the date that disability must be established. In addition, the work must have lasted long enough for Petitioner to learn to do the job and have been substantial gainful activity (SGA). (20 CFR 404.1560(b), 404.1565, 416.960(b), and 416.965). If Petitioner has the residual functional capacity to do her past relevant work, Petitioner is not disabled. If Petitioner 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.

Petitioner's past relevant employment was as a bus driver. The demands of the Petitioner's past relevant work exceed the residual functional capacity. The analysis continues.

At the last step of the sequential evaluation process (20 CFR 404.1520(g) and 416.920(g)), the ALJ must determine whether Petitioner is able to do any other work considering his/her residual functional capacity, age, education, and work experience. If Petitioner is able to do other work, he/she is not disabled. If Petitioner is not able to do other work and meets the duration requirements, he/she is disabled.

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. 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 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 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 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).

At Step 5, the burden of proof shifts to the Department to establish that Petitioner does have residual function capacity. The residual functional capacity is what an individual can do despite limitations. All impairments will be considered in addition to ability to meet certain demands of jobs in the national economy. Physical demands, mental demands, sensory requirements and other functions will be evaluated. See discussion at Step 2 above.

The fifth and final step of the analysis applies the biographical data of the applicant to the Medical Vocational Grids to determine the residual functional capacity of the applicant to do other work. 20 CFR 416.920(g). Petitioner is [REDACTED]-years-old, and falls into the category of closely approaching advanced age. She has a college degree. Transferability of job skills is not an issue in this case because Petitioner's past relevant work is unskilled. Considering Petitioner's age, education, work experience, and residual functional capacity, a finding of disabled is directed under Medical Vocational Rule 201.14.

DECISION AND ORDER

NOW THEREFORE, the ALJ, based on the above Findings of Fact and Conclusions of Law, VACATES the ALJ's Hearing Decision of [REDACTED], and finds Petitioner disabled for purposes of the SDA benefit program.

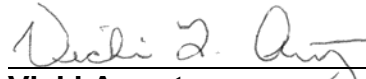
Accordingly, the Department's determination is REVERSED.

THE DEPARTMENT IS ORDERED TO INITIATE THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE THE ORDER WAS ISSUED:

1. Redetermine Petitioner's eligibility for the SDA program back to her SDA application of [REDACTED], in accord with this decision.
2. Issue any retroactive SDA benefits Petitioner may be eligible for in accord with this decision.

3. Issue a Notice of Case Action in accord with this decision.

VLA/bb



Vicki Armstrong
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

