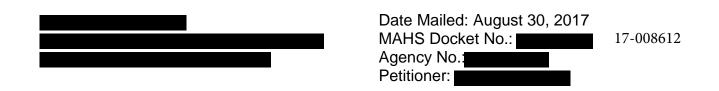
RICK SNYDER GOVERNOR

STATE OF MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON



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 3-way telephone hearing was held on from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by hearing facilitator, and hearing facilitator.

<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 Peritioner applied for SDA benefits.
- 2. Petitioner's only basis for SDA benefits was as a disabled individual.
- 3. On second that Petitioner was not a disabled individual (see Exhibit 1, pp. 3-9).
- 4. On Month Month
- 5. On period of SDA benefits.

- 6. As of the date of the administrative hearing, Petitioner did not have employment earnings amounting to substantial gainful activity.
- 7. As of the date of the administrative hearing, Petitioner was a 58-year-old female.
- 8. Petitioner's highest education year completed was the 12th grade (via general equivalency degree).
- 9. Petitioner has a history of unskilled employment, with no known transferrable job skills.
- 10. Petitioner has restrictions which preclude the performance of light employment.

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).

Prior to a substantive analysis of Petitioner's hearing request, it should be noted that the request indicated special arrangements for hearing participation were needed. Petitioner testified no special arrangements were needed and the hearing was conducted accordingly.

Petitioner requested a hearing to dispute the denial of an SDA application. Petitioner claimed an inability to work for 90 days due to mental and/or physical disabilities. MDHHS presented a Notice of Case Action (Exhibit 1, pp. 33-36) dated verifying Petitioner's application was denied based on a determination that Petitioner was not disabled.

SDA provides financial assistance to disabled adults who are not eligible for Family Independence Program (FIP) benefits. BEM 100 (April 2017), p. 5. 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 (April 2017), p. 1. A person is disabled for SDA purposes if he or she meets any of the following criteria:

- Receives other specified disability-related benefits or services....
- Resides in a qualified Special Living Arrangement (SLA) facility.
- Is certified as unable to work due to mental or physical disability for at least 90 days from the onset of the disability.
- Is diagnosed as having Acquired Immunodeficiency Syndrome (AIDS)... *Id.*, pp. 1-2.

When the person does not meet one of the [above] criteria, [MDHHS is to] follow the instructions in BAM 815, Medical Determination and Disability Determination Service (DDS), Steps for Medical Determination Applications. *Id.*, p. 4. The DDS will gather and review the medical evidence and either certify or deny the disability claim based on the medical evidence. *Id.* The review of medical evidence is primarily outlined by federal law.

[State agencies] must use the same definition of disability as used under SSI... 42 C.F.R. § 435.540(a). [Federal] law defines disability 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 C.F.R. § 416.905(a).

MDHHS adopted a functionally identical definition of disability (see BEM 260 (July 2015), p. 10). The same definition applies to SDA, though SDA eligibility factors only a 90-day period of disability.

In general, you have to prove... that you are blind or disabled. 20 C.F.R. § 416.912(a). You must inform us about or submit all evidence known... that relates to whether or not you are blind or disabled. *Id.* Evidence includes, but is not limited to objective medical evidence e.g. medical signs and laboratory findings), evidence from other medical sources (e.g. medical history and opinions), and non-medical statements about symptoms (e.g. testimony) (see *Id.*).

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

The first step in the process considers a person's current work activity (see 20 C.F.R. §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 2017 monthly income limit considered SGA for non-blind individuals is

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.*

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.

At the second step, we consider the medical severity of your impairment(s). 20 C.F.R. §416.920 (a)(4)(ii). If you do not have a severe medically determinable physical or mental impairment that meets the duration requirement in §416.909, or a combination of impairments that is severe and meets the duration requirement, we will find that you are not disabled. *Id.*

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, SSR 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).

If you do not have any impairment or combination of impairments which significantly limits your physical or mental ability to do basic work activities, we will find that you do not have a severe impairment and are, therefore, not disabled. 20 C.F.R. § 416.920 (5)(c). We will not consider your age, education, and work experience. *Id.* The second step analysis will begin with a summary of presented medical documentation and Petitioner's testimony.

Hospital emergency room documents (Exhibit 1, pp. 7-11) dated _____, were presented. Petitioner presented with suicidal ideation. Complaints of crying spells, and life stress were noted. A physical examination was normal other than a rash. It was noted that Petitioner received various medications. Diagnoses included depression.

Hospital emergency room documents (Exhibit 1, pp. 11-18) dated _____, were presented. Petitioner presented with suicidal ideation. Petitioner reported distress from a deteriorating relationship with her son and homelessness. Petitioner also reported difficulty with a recent arthritis diagnosis and joint pain. A physical examination revealed ulnar deviation deformities in both wrists; Petitioner was noted to be tearful during the examination. Diagnoses included suicidal ideation with pain and major depression. Petitioner was noted to be cleared for psychiatric placement.

Hospital documents (Exhibit 1, pp. 66-73, 101-170) from an admission dated were presented. It was noted that Petitioner presented after overdosing on various pills. A recent 7-day hospitalization was noted. Treatment for rheumatoid arthritis was noted. Multidisciplinary treatment through psychiatry, nursing, social work, and occupational therapy was noted. Various medications were administered. It was

noted Petitioner spent 2 days in ICU before being transferred (presumably to the psychiatric wing). An Axis I diagnosis of major depressive disorder (recurrent and severe) was noted. A discharge date of was noted.

Social worker notes from a mental health agency (Exhibit 1, pp. 49-58) dated ______, were presented. Short-term residential treatment was planned based on Petitioner's recent hospitalization. Petitioner reported depression from various stressors including homelessness. Intrapersonal impairment was noted. Petitioner reported that her life was hopeless and that she had no future. Petitioner's GAF was 35.

Nurse practitioner encounter notes (Exhibit 1, pp. 61-65) dated _____, were presented. Petitioner complained of depressed mood, anhedonia, and self-isolation. Suicide precautions were planned. Joint pain was reported. Cymbalta was prescribed for mood.

Rheumatologist office visit notes (Exhibit 1, pp. 86-100) dated were presented. Petitioner's complaints included fatigue, calf swelling, right knee pain related to a cyst, and joint pain (in bilateral shoulders, knees, and hands). A review of systems was positive for myalgias, dizziness, and depression. An unspecified limited range of motion was noted in a physical examination. Tenderness was noted in hands, wrists, elbows, shoulders, knees, and feet. Diagnoses of SLE and inflammatory arthritis were noted. Various meds were prescribed.

Physician office visit notes (Exhibit 1, pp. 38-44) dated ______, were presented. Petitioner complained of a cough, ongoing for a month. Diagnoses for SLE and Raynaud's Disease were noted. A "good" mood was noted. Chest radiology was negative (see Exhibit 1, pp. 47-48).

Rheumatologist office visit notes (Exhibit 1, pp. 79-86) dated , were presented. Ongoing SLE treatment was noted. Petitioner complained of fatigue. A complaint of increased pain from Raynaud's Disease during shopping trips was noted. A review of systems was positive for joint pain. New employment was noted. A rash, worsening over 3 weeks, was noted; prednisone was prescribed. Normal joint range of motion was noted. Diagnoses of SLE, rheumatoid arthritis, and inflammatory arthritis were noted. Various meds were continued.

Petitioner testified her hands were weak due to a combination of Raynaud's Disease and/or arthritis. Petitioner testified that hand weakness caused her to quit employment in 2016 after only working for 3 weeks. Petitioner testified cold air, in particular, causes hand pains. Petitioner testified she was told to wear gloves to reduce pain.

Petitioner testified her arms are also weak. Petitioner testified she has difficulty with raising her arms, in part due to arthritis.

Petitioner testified she is affected by depression. Petitioner testified that symptoms include panic attacks, fatigue, and crying spells (approximately 3 per month). Petitioner

testified she is prescribed Cymbalta to combat depression. Petitioner also testified she is fatigued and fog-headed, in part, due to depression and/or medications.

Petitioner testified she was hospitalized in due to suicidal thoughts. Petitioner testified she was again hospitalized for 2 weeks in due to suicidal thoughts. Petitioner testified she attempted to overdose in May 2016.

Presented medical records generally verified a medical treatment history consistent with ambulation, standing, and lifting/carrying, and gripping/grasping restrictions due to SLE and arthritis. Presented records also generally verified degrees of concentration and social interaction restrictions due to depression.

Petitioner's treatment history was established to have lasted at least 90 days and at least since Petitioner's date of SDA application. Accordingly, it is found that Petitioner established having a severe impairment and the disability analysis may proceed to Step 3.

At the third step, we also consider the medical severity of your impairment(s). 20 C.F.R. § 416.920 (4)(iii). If you have an impairment(s) that meets or equal one of our listings in appendix 1 to subpart P of part 404 of this chapter and meets the duration requirement, we will find that you are disabled. *Id.* If you have an impairment(s) which meets the duration requirement and is listed in appendix 1 or is equal to a listed impairment(s), we will find you disabled without considering your age, education, and work experience. *Id.* 20 C.F.R. § 416.920 (d).

A listing for joint dysfunction (Listing 1.02) was considered based on Petitioner's complaints of knee pain. The listing was rejected due to a failure to establish that Petitioner is unable to ambulate effectively or that Petitioner is unable to perform fine and gross movements with both upper extremities.

A listing for affective disorder (Listing 12.04) was considered based on treatment for depression. The listing was rejected due to a failure to establish an extreme restriction or multiple marked restrictions to understanding or applying information, interacting with others, concentration or persistence, and/or adaptation. It was also not established that Petitioner had minimal capacity to adapt to changes in environment or to demands that are not already part of daily life.

A listing for inflammatory arthritis (Listing 14.09) was considered based on Petitioner's treatment history. The presented medical records were insufficient to establish that Petitioner has an inability to ambulate effectively, perform fine and gross movements, or suffers inflammation or deformities with a diagnosis of ankylosing spondylitis or other spondyloarthropathies, or suffers repeated manifestations of inflammatory arthritis.

It is found Petitioner does not meets any SSA listings. Accordingly, the disability analysis may proceed.

If your impairment(s) does not meet or equal a listed impairment, we will assess and make a finding about your residual functional capacity based on all the relevant medical and other evidence in your case record.... 20 C.F.R. § 416.920 (e). We use our residual functional capacity assessment at the fourth step of the sequential evaluation process to determine if you can do your past relevant work... and at the fifth step of the sequential evaluation process (if the evaluation proceeds to this step) to determine if you can adjust to other work... *Id*.

Your impairment(s), and any related symptoms, such as pain, may cause physical and mental limitations that affect what you can do in a work setting. 20 C.F.R. § 416.945 (a)(1). Your residual functional capacity is the most you can still do despite your limitations. *Id.* We will assess your residual functional capacity based on all the relevant evidence in your case record. *Id.* We will consider all of your medically determinable impairments of which we are aware, including your medically determinable impairments that are not "severe,"... when we assess your residual functional capacity. 20 C.F.R. § 416.945 (a)(2). We will assess your residual functional capacity based on all of the relevant medical and other evidence. 20 C.F.R. § 416.945(a)(3). We will first use our residual functional capacity assessment at step four of the sequential evaluation process to decide if you can do your past relevant work. 20 C.F.R. § 416.945(a)(5).

At the fourth step, we consider our assessment of your residual functional capacity and your past relevant work. 20 C.F.R. § 416.920(a)(4)(iv). If you can still do your past relevant work, we will find that you are not disabled. *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 C.F.R. § 416.960(b)(1). We will not consider your vocational factors of age, education, and work experience or whether your past relevant work exists in significant numbers in the national economy. 20 C.F.R. § 416.960(b)(3).

Petitioner testified her employment history included work as a shipping clerk. Petitioner testified she could not perform the computer work, carrying of boxes or standing required of her former employment.

Petitioner testified her past employment includes work as a cashier. Petitioner testified she is unable to perform cashier employment because of standing difficulties, fatigue, forgetfulness, and hand pain. Petitioner testified the same problems would preclude her 2016 employment as a packager of scones.

Petitioner's testimony that she is unable to perform past employment was credible and consistent with presented records. Accordingly, it is found Petitioner cannot perform past relevant employment.

If we find that your residual functional capacity does not enable you to do any of your past relevant work or if we use the procedures in § 416.920(h), we will use the same residual functional capacity assessment when we decide if you can adjust to any other

work. We will look at your ability to adjust to other work by considering your residual functional capacity and the vocational factors of age, education, and work experience, as appropriate in your case. (See § 416.920(h) for an exception to this rule.) Any other work (jobs) that you can adjust to must exist in significant numbers in the national economy (either in the region where you live or in several regions in the country).

At the fifth and last step, we consider our assessment of your residual functional capacity and your age, education, and work experience to see if you can make an adjustment to other work. 20 C.F.R. § 416.920(a)(4)(v). If you can make an adjustment to other work, we will find that you are not disabled. *Id.* If you cannot make an adjustment to other work, we will find that you are disabled. *Id.*

Your impairment(s) and related symptoms, such as pain, may cause limitations of function or restrictions which limit your ability to meet certain demands of jobs. 20 C.F.R. § 416.969a(a). These limitations may be exertional, nonexertional, or a combination of both. *Id.*

When the limitations and restrictions imposed by your impairment(s) and related symptoms, such as pain, affect only your ability to meet the strength demands of jobs (sitting, standing, walking, lifting, carrying, pushing, and pulling), we consider that you have only exertional limitations. 20 C.F.R. § 416.969a(b). When your impairment(s) and related symptoms only impose exertional limitations and your specific vocational profile is listed in a rule contained in appendix 2, we will directly apply that rule to decide whether you are disabled. *Id*.

When the limitations and restrictions imposed by your impairment(s) and related symptoms, such as pain, affect only your ability to meet the demands of jobs other than the strength demands, we consider that you have only nonexertional limitations or restrictions. 20 C.F.R. § 416.969a(c)(1). Some examples of nonexertional limitations or restrictions include the following... nervousness, anxiousness, depression, attention or concentration deficits, difficulty remembering instructions, vision loss, hearing loss, difficulty with environment (e.g. fumes), hand manipulation, bending, crouching, kneeling, or other body maneuvers (see *Id.*).

If your impairment(s) and related symptoms, such as pain, only affect your ability to perform the nonexertional aspects of work-related activities, the rules in appendix 2 do not direct factual conclusions of disabled or not disabled. 20 C.F.R. § 416.969a(c)(2)

Limitations are classified as exertional if they affect your ability to meet the strength demands of jobs. *Id.* To determine the physical exertion requirements of work in the national economy, we classify jobs as *sedentary*, *light*, *medium*, *heavy*, and *very heavy*. 20 C.F.R. § 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. 20 C.F.R. § 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. *Id.*

Light work involves lifting no more than 20 pounds at a time with frequent lifting or carrying of objects weighing up to 10 pounds. 20 C.F.R. § 416.967(b). 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. *Id.* To be considered capable of performing a full or wide range of light work, you must have the ability to do substantially all of these activities. *Id.* If someone can do light work, we determine that he or she can also do sedentary work, unless there are additional limiting factors such as loss of fine dexterity or inability to sit for long periods of time. *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 C.F.R. § 416.967(c). If someone can do medium work, we determine that he or she can also do sedentary and light 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 C.F.R. § 416.967(d). If someone can do heavy work, we determine that he or she can also do medium, light, and sedentary work. *Id*.

Very heavy work involves lifting objects weighing more than 100 pounds at a time with frequent lifting or carrying of objects weighing 50 pounds or more. 20 C.F.R. § 416.967(e). If someone can do very heavy work, we determine that he or she can also do heavy, medium, light, and sedentary work. *Id.*

Petitioner testified she does not use a cane or walker. Petitioner testified she is limited to walking of a half mile before her knees and feet ache; Petitioner testified her feet also swell when ambulating. Petitioner testified that her standing is limited to 30 minutes (also because of foot and leg swelling). Petitioner was unable to state how long she could sit. Petitioner testified her lifting/carrying is limited to 10 pounds. Petitioner testified she can write, but takes breaks due to hand tingling or numbness. Petitioner estimated she could stand/walk ½ - 1 hour over an 8-hour workday.

Petitioner testified she has difficulty showering and dressing due to difficulty lifting arms. Petitioner also testified she has difficulty with dressing when buttoning. Petitioner testified lifting wet clothes when doing laundry is difficult. Petitioner testified that Raynaud's disease makes shopping uncomfortable when air conditioning is used inside of a store. Petitioner testified she can drive, though she is forgetful. Generally, Petitioner's testimony was consistent with an ability to perform sedentary employment not reliant on dexterity.

A Physical Residual Functional Capacity Assessment (Exhibit 1, pp. 26-33, Exhibit 2, pp. 10-17) dated ______, was presented. The assessment was signed by a

consultant physician as part of Petitioner's SSA claim of disability. Stated restrictions included occasional lifting of 20 pounds, frequent ability to lift/carry 10 pounds, standing or sitting about 6 hours in an 8-hour workday, and unlimited pushing/pulling. Petitioner was restricted to only occasional kneeling, crawling, crouching, and climbing due to back pain. Petitioner was restricted from extreme cold due to Raynaud's Disease. Treatment records from were cited as supportive of the assessments. The assessment was generally consistent with an ability to perform light employment, but not medium employment.

Presented treatment records verified recurring complaints of joint pain. Petitioner's treatment for SLE and arthritis are consistent with Petitioner's complaint. Petitioner's treatment was indicative of an inability to perform the standing and/or ambulation required of light employment.

Petitioner's treatment records also verified difficulty with hand pain due to Raynaud's Disease and/or arthritis. Sufficient evidence was presented that Petitioner tried to work in despite complaints of symptoms. Petitioner testified she tried to work but was unable to overcome her pain. Given Petitioner's diagnoses (including SLE and lower extremity arthritis), it would be highly challenging for Petitioner to perform the standing/walking required of light employment.

Based on presented evidence, it is found that Petitioner is limited to sedentary employment. An RFC analysis could proceed to evaluate Petitioner's hand dexterity or depression-related impairments; no such evaluation is needed. For purposes of this decision, it will be found that Petitioner is capable of performing a full range of sedentary employment.

Based on Petitioner's exertional work level (sedentary), age (advanced age), education (high school with no direct entry into skilled labor), employment history (unskilled), Medical-Vocational Rule 201.04 is found to apply. This rule dictates a finding that Petitioner is disabled. Accordingly, it is found that MDHHS improperly 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 improperly denied Petitioner's application for SDA benefits. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) reinstate Petitioner's SDA benefit application dated
- (2) evaluate Petitioner's eligibility subject to the finding that Petitioner is a disabled individual;
- (3) initiate a supplement for any benefits not issued as a result of the improper application denial; and
- (4) schedule a review of benefits in one year from the date of this administrative decision, if Petitioner is found eligible for future benefits.

The actions taken by MDHHS are **REVERSED**.

CG/hw

Christian Gardocki

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	
Datitioner	
Petitioner	