



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: October 18, 2017
MAHS Docket No.: 17-009977
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. After due notice, a telephone hearing was held on September 18, 2017, from [REDACTED] Michigan. Petitioner was represented by himself. The Department of Health and Human Services (Department) was represented by [REDACTED], FIM. Department Ex. 1, pp. 1-215 was received and admitted.

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 March 29, 2017.
2. The Medical Review Team denied the application on July 13, 2017.
3. Petitioner filed a request for hearing on Aug 1, 2017, regarding the SDA denial.
4. A telephone hearing was held on September 18, 2017.
5. Petitioner is 5' 9" tall and weighs 225 pounds.
6. Petitioner is 43 years of age.

7. Petitioner's impairments have been medically diagnosed as diabetes, neuropathy, arthritis, anxiety, and depression.
8. Petitioner has the following symptoms: pain, fatigue, joint swelling, anxiety attacks, flashbacks, insomnia, social isolation, memory problems.
9. Petitioner completed 10th grade.
10. Petitioner is able to read, write, and perform basic math skills.
11. Petitioner is not working. Petitioner last worked in 2009 at a factory.
12. Petitioner is homeless.
13. Petitioner testified that he cannot perform some household chores.
14. Petitioner takes the following prescribed medications:
 - a. Bupropion
 - b. Glyburide
 - c. Lyrica
 - d. Metformin
 - e. Mobic
 - f. Norco
 - g. Pravastatin
 - h. Proventil inhaler
 - i. Percocet
15. Petitioner testified to the following physical limitations:
 - i. Sitting: 60 minutes
 - ii. Standing: 5 minutes
 - iii. Walking: 20 feet with cane
 - iv. Bend/stoop: difficulty
 - v. Lifting: 5-10 lbs.
 - vi. Grip/grasp: no limitations
16. Petitioner testified to experiencing pain, at a high level of 10, on an everyday basis with some pain always present at a low level of 5.
17. In a consultative psychological examination report dated [REDACTED], the examining psychologist found Petitioner to have diagnoses of major depressive disorder, panic disorder with agoraphobia, borderline intelligence and a GAF score of 55. Petitioner's prognosis was found to be guarded. (Dept. Ex. 1, pp.54-58)

18. In a consultative physical examination report dated [REDACTED], the examining physician stated the following under CONCLUSIONS: "1. Diabetes with history of neuropathy. The patient reports a history of diabetes. At this time he describes poor glycemic control. He reports a history of discomfort and numbness in the upper and lower extremities. He reports some sensory changes in the distal calves into the feet to pinprick, vibratory, and monofilament although of interest there are reflexes remaining in the ankles. No motor weakness is noted. The patient reports some sensory changes in the hands. Grip strength is well maintained. Digital dexterity is intact. The patient is able to pick up a coin, button clothing and open doors with either hand. The patient is known to walk normally. A cane is brought to the exam; however, the patient appears to be able to ambulate without the use of such. He had mild difficulty squatting but other orthopedic maneuvers are performed without difficulty. He is uncertain as to the previous EMG studies. If these have been performed, results would be of interest. By exam, there does not appear to be evidence of diabetic neuropathy. Continued careful medical management would appear warranted." (Dept. Ex. 1, pp. 49-52)
19. An MRI of Petitioner's left knee from [REDACTED], showed small knee joint effusion and small Baker cyst and large bone infarct in the medullary space of the femur distally.
20. An assessment from the [REDACTED] pain center from [REDACTED], stated the following: "[REDACTED] is a pleasant 43-year-old gentleman with a history of diabetes referred for leg and hip pain that he has had since 2015. He has peripheral neuropathy from his diabetes. On the previous visit we increased Lyrica, which was quite helpful. He also has some hip and knee pain and walks with a cane. He was found to have a medullary space filling defect in his leg that looked like it was an infarction. Referral to orthopedics felt there was no surgery needed to be done at that time. He is not interested in injections for his hip or back. He is quite well controlled with his medication regimen at his point in time." (Dept. Ex. 1, p. 187)
21. Petitioner uses a cane and walker to ambulate.

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.

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, 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 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, 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 Petitioner has an impairment (or combination of impairments) that has more than a minimal effect on Petitioner's work activities. See Social Security Rulings: 85-28, 88-13, and 82-63.

In the third step of the analysis, the trier of fact must determine if Petitioner's impairment (or combination of impairments) is listed in Appendix 1 of Subpart P of 20 CFR, Part 404. This Administrative Law Judge finds that Petitioner's medical record does not support a finding that Petitioner's impairment(s) is a "listed impairment" or equal to a listed impairment. See Appendix 1 of Subpart P of 20 CFR Part 404, Part A. Listings 12.04 and 1.02 were considered.

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 clinical/laboratory findings, diagnosis/prescribed treatment, prognosis for a recovery and/or medical assessment of ability to do work-related activities, or ability to reason and to make appropriate mental adjustments, if a mental disability is being alleged. 20 CFR 416.913. A conclusory statement by a physician, or mental health professional, that an individual is disabled, or blind, is not sufficient without supporting medical evidence to establish disability. 20 CFR 416.927.

The fourth step of the analysis to be considered is whether Petitioner has the ability to perform work previously performed by the Petitioner within the past 15 years. The trier of fact must determine whether the impairment(s) presented prevent Petitioner from doing past relevant work. In the present case, Petitioner's past employment was as a factory worker. Working as a factory worker, as described by Petitioner at hearing, would be considered medium exertional work. Petitioner's impairments would prevent him from doing past relevant work. This Administrative Law Judge will continue through step 5.

In the final step of the analysis, the trier of fact must determine if Petitioner's impairment(s) prevent Petitioner from doing other work. 20 CFR 416.920(f). This determination is based upon Petitioner's:

1. residual functional capacity defined simply as “what can you still do despite your limitations? 20 CFR 416.945;
2. age, education, and work experience, 20 CFR 416.963-965; and
3. the kinds of work which exist in significant numbers in the national economy which the Petitioner could perform despite her limitations. 20 CFR 416.966.

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.... 20 CFR 416.945(a).

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: 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).

See *Felton v DSS* 161 Mich. App 690, 696 (1987). Once the Petitioner makes it to the final step of the analysis, the Petitioner has already established a prima facie case of disability. *Richardson v Secretary of Health and Human Services*, 732 Fd2 962 (6th Cir, 1984).

Moving forward, the burden of proof rests with the State to prove by substantial evidence that Petitioner has the residual function capacity for substantial gainful activity. After careful review of Petitioner's extensive medical record, and the Administrative Law Judge's personal interaction with Petitioner at the hearing, this Administrative Law Judge finds that Petitioner's exertional and non-exertional impairments render Petitioner unable to engage in a full range of, even sedentary, work activities on a regular and continuing basis. 20 CFR 404, Subpart P, Appendix 11, Section 201.00(h). See Social Security Ruling 83-10; *Wilson v Heckler*, 743 F2d 216 (1986). The Department has failed to provide vocational evidence which establishes that Petitioner has the residual functional capacity for substantial gainful activity and, that given Petitioner's age, education, and work experience, there are significant numbers of jobs in the national economy which the Petitioner could perform despite Petitioner's limitations.

Accordingly, this Administrative Law Judge concludes that Petitioner is disabled for purposes of the SDA program as of March 2017. Petitioner's testimony regarding his limitations and ability to sit, stand, walk, lift, and carry is credible and supported by substantial medical evidence. Specifically, Petitioner requires a cane or walker to ambulate and his reliance on narcotic pain medication would make it difficult to perform competitive work. Petitioner also has psychological impairments that are substantially limiting. Specifically, Petitioner experiences panic attacks several times in a week even in his current low stress environment.

Therefore, Petitioner is found to be disabled.

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 March 2017.

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

1. Initiate a review of the application for SDA dated March 29, 2017, 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 October 2018.

AM/md



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

DHHS

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Petitioner

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