



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: November 28, 2017  
MAHS Docket No.: 17-010895  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie**

**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 20, 2017, from [REDACTED], Michigan. The Petitioner was represented by herself and Petitioner's friend and chore provider, [REDACTED]. The Department of Health and Human Services (Department) was represented by [REDACTED], Eligibility Specialist. The record was left open for additional medical records, which were received on October 24, 2017, and the record was closed.

**ISSUE**

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

**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 was approved for SDA by Administrative Law Judge [REDACTED] because she appeared to meet listing 12.06 or its equivalent, with a medical review in December 2016 due to a mental impairment.
2. On [REDACTED] the MRT denied Petitioner's medical review for SDA stating that Petitioner had medical improvement.
3. On [REDACTED], the Department Caseworker sent Petitioner a notice that she was denied for SDA because she had had medical improvement.

4. On [REDACTED], the Department received a hearing request from the Petitioner, contesting the Department's negative action.
5. Petitioner is a [REDACTED]-year-old woman whose date of birth is [REDACTED]. Petitioner is 5' 4" tall and weighs 245 pounds. She has completed high school and has a Bachelor of Science and Master's Degree in Social Work. Petitioner can read and write and perform basic math. Petitioner was last employed as a foster care social worker in July 2011. She has also been employed as a children's protective services worker, and a nanny.
6. Petitioner's alleged impairments are bipolar disorder, depression, anxiety, post-traumatic stress disorder (PTSD), left wrist release surgery in April 2017, asthma, COPD where she is on oxygen at night, left knee locks up, surgery on [REDACTED], of her right foot where her big toes lies under her 2<sup>nd</sup> toe and she is wearing a surgical boot, and in January 2017 she had a tumor removed from her right foot.
7. On [REDACTED], Petitioner was seen by an independent medical examiner at [REDACTED] for a physical examination. She was seen for an evaluation of a neck fracture, COPD, sleep apnea, PTSD, major depressive disorder, generalized anxiety disorder, panic attacks, chronic pain syndrome, TMJ, anemia, parathyroid disease, high blood pressure, plantar fasciitis, migraines, and asthma. Petitioner had an anxiety attack in the waiting room which made it difficult for her to be examined. Her physical examination revealed an obese white female not in distress who appeared somewhat indifferent. Lumbar area was slightly tender with muscle spasms present. She has a scar on the medial aspect of the left wrist from a recent surgery which is still tender. She does not have parathyroid disease. Her neck was painful and tender, but with normal range of motion. Petitioner does not have a neck fracture. She has a history of multiple car accidents causing neck injury. Clinical examination does not show any wheezing or acute disease of her lungs. She had an essentially normal physical examination. Department Exhibit 1, pgs. 192-202.
8. On [REDACTED], Petitioner was seen by an independent medical examiner at [REDACTED] for a psychological examination. She alleges depression, anxiety, and panic attacks. Petitioner was diagnosed with PTSD, chronic with panic attacks, major depressive disorder, recurrent, severe, in partial remission, and other psychotic disorder-attenuated psychotic symptoms. She is capable of managing her benefit funds. Her prognosis was poor. She was guarded. Her mood was anxious and irritable. Petitioner had a restricted affective range with intense eye contact. In the independent examiner's opinion, Petitioner has severe social impairment due to mood, anxiety, panic attacks, distrust, and her affective presentation. Her work ability is similarly impaired. She has variable levels of functioning that fluctuate with her mood and anxiety symptoms. The quality, pace, and consistency of work related tasks would be

variable. There was no evidence of a severe thought disorder or risk factors. Department Exhibit 1, pgs. 166-170.

9. On [REDACTED], Petitioner was seen by her treating physician for a follow up and medication refill. She presented with back pain that was in the low back and a sharp ache. The triggers are bending, lifting, and twisting. The symptoms are alleviated with medications. She had foot pain where she is waiting for bunion surgery. Petitioner also had neck pain. She complained of anxiety, depression, and disturbances of emotion where she takes medication. There was no evidence of a severe thought disorder or risk factors. Her diagnosis was essential primary hypertension, obesity, paresthesia of the skin, jaw pain, and migraine with aura, not intractable, without status migrainosus. Her medications were adjusted as medically required. Department Exhibit 1, pgs. 533-540.
10. On [REDACTED], Petitioner was seen by her treating therapist at [REDACTED]. Her clinical assessment was sad, sullen, and tearful where she lived a fear based life. She was alert, attentive, oriented times 4, and talkative. Petitioner was diagnosed with PTSD and generalized anxiety disorder. She was to take her medications as directed and continue with therapy and her psychiatrist. Department Exhibit 1, pg. 311.

### **CONCLUSIONS OF LAW**

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.

The Department's Program Eligibility Manual provides the following policy statements and instructions for caseworkers regarding the SDA program.

#### **DISABILITY – SDA**

#### **DEPARTMENT POLICY**

#### **SDA**

To receive SDA, a person must be disabled, caring for a disabled person, or age 65 or older.

**Note:** There is no disability requirement for AMP. BEM 261, p. 1.

## **DISABILITY**

A person is disabled for SDA purposes if he:

- . receives other specified disability-related benefits or services, or
- . resides in a qualified Special Living Arrangement facility, or
- . 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).

If the client's circumstances change so that the basis of his/her disability is no longer valid, determine if he/she meets any of the other disability criteria. Do NOT simply initiate case closure. BEM, Item 261, p. 1.

### **Other Benefits or Services**

Persons receiving one of the following benefits or services meet the SDA disability criteria:

- . Retirement, Survivors and Disability Insurance (RSDI), due to disability or blindness.
- . Supplemental Security Income (SSI), due to disability or blindness.
- . Medicaid (including spend-down) as blind or disabled if the disability/blindness is based on:
  - .. a DE/MRT/SRT determination, or
  - .. a hearing decision, or
  - .. having SSI based on blindness or disability recently terminated (within the past 12 months) for financial reasons.

Medicaid received by former SSI recipients based on policies in PEM 150 under **"SSI TERMINATIONS,"** INCLUDING **"MA While Appealing Disability Termination,"** does not qualify a person as disabled for SDA. Such persons must be certified as disabled or meet one of the other SDA qualifying criteria. See **"Medical Certification of Disability"** below.

- . Michigan Rehabilitation Services (MRS). A person is receiving services if he has been determined eligible for MRS and has an active MRS case. Do not refer or advise applicants to apply for MRS for the purpose of qualifying for SDA.
- . Special education services from the local intermediate school district. To qualify, the person may be:
  - .. attending school under a special education plan approved by the local Individual Educational Planning Committee (IEPC); **or**
  - .. not attending under an IEPC approved plan but has been certified as a special education student **and** is attending a school program leading to a high school diploma or its equivalent, **and** is under age 26. The program does not have to be designated as "special education" as long as the person has been certified as a special education student. Eligibility on this basis continues until the person completes the high school program or reaches age 26, whichever is earlier.
- . Refugee or asylee who lost eligibility for Social Security Income (SSI) due to exceeding the maximum time limit BEM, Item 261, pp. 1-2.

"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.

...We follow a set order to determine whether you are disabled. We review any current work activity, the severity of your impairment(s), your residual functional capacity, your past work, and your age, education and work experience. If we can find that you are disabled or not disabled at any point in the review, we do not review your claim further.... 20 CFR 416.920.

...If you are working and the work you are doing is substantial gainful activity, we will find that you are not

disabled regardless of your medical condition or your age, education, and work experience. 20 CFR 416.920(b).

...[The impairment]...must have lasted or must be expected to last for a continuous period of at least 12 months. We call this the duration requirement. 20 CFR 416.909.

...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.

We will not consider your age, education, and work experience. 20 CFR 416.920(c).

[In reviewing your impairment]...We need reports about your impairments from acceptable medical sources.... 20 CFR 416.913(a).

...Statements about your pain or other symptoms will not alone establish that you are disabled; there must be medical signs and laboratory findings which show that you have a medical impairment.... 20 CFR 416.929(a).

...You must provide medical evidence showing that you have an impairment(s) and how severe it is during the time you say that you are disabled. 20 CFR 416.912(c).

... [The record must show a severe impairment] which significantly limits your physical or mental ability to do basic work activities.... 20 CFR 416.920(c).

...Medical reports should include:

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

...The medical evidence...must be complete and detailed enough to allow us to make a determination about whether you are disabled or blind. 20 CFR 416.913(d).

Medical findings consist of symptoms, signs, and laboratory findings:

- (a) **Symptoms** are your own description of your physical or mental impairment. Your statements alone are not enough to establish that there is a physical or mental impairment.
- (b) **Signs** are anatomical, physiological, or psychological abnormalities which can be observed, apart from your statements (symptoms). Signs must be shown by medically acceptable clinical diagnostic techniques. Psychiatric signs are medically demonstrable phenomena which indicate specific psychological abnormalities e.g., abnormalities of behavior, mood, thought, memory, orientation, development, or perception. They must also be shown by observable facts that can be medically described and evaluated.
- (c) **Laboratory findings** are anatomical, physiological, or psychological phenomena which can be shown by the use of medically acceptable laboratory diagnostic techniques. Some of these diagnostic techniques include chemical tests, electrophysiological studies (electrocardiogram, electroencephalogram, etc.), roentgenological studies (X-rays), and psychological tests. 20 CFR 416.928.

It must allow us to determine –

- (1) The nature and limiting effects of your impairment(s) for any period in question;
- (2) The probable duration of your impairment; and
- (3) Your residual functional capacity to do work-related physical and mental activities. 20 CFR 416.913(d).

In general, Petitioner has the responsibility to prove that he/she is disabled. Petitioner'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 petitioner's statement of symptoms. 20 CFR 416.908; 20 CFR 416.927. Proof must be in the form of medical evidence showing that the petitioner has an 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.

Once an individual has been determined to be “disabled” for purposes of disability benefits, continued entitlement to benefits must be periodically reviewed. In evaluating whether an individual’s disability continues, 20 CFR 416.994 requires the trier of fact to follow a sequential evaluation process by which current work activities, severity of impairment(s), and the possibility of medical improvement and its relationship to the individual’s ability to work are assessed. Review may cease and benefits may be continued at any point if there is substantial evidence to find that the individual is unable to engage in substantial gainful activity. 20 CFR 416.994(b)(5).

#### Step 1

First, the trier of fact must determine if the individual is working and if work is substantial gainful activity. 20 CFR 416.994(b)(5)(i). In this case, the Petitioner is not engaged in substantial gainful activity and has not worked since July 2011. Therefore, the Petitioner is not disqualified from receiving disability at Step 1.

#### Step 2

In the second step of the sequential consideration of a disability claim, the trier of fact must determine if the 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 the Petitioner’s medical record will 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. Accordingly, Petitioner cannot be found to be disabled based upon medical evidence alone. 20 CFR 416.920(d). This Administrative Law Judge finds that the Petitioner’s impairments do not rise to the level necessary to be listed as disabling by law. Therefore, the Petitioner is disqualified from receiving disability at Step 2.

#### Step 3

In the third step of the sequential evaluation, the trier of fact must determine whether there has been medical improvement as defined in 20 CFR 416.994(b)(1)(i). 20 CFR 416.994 (b)(5)(iii). Medical improvement is defined as any decrease in the medical severity of the impairment(s) which was present at the time of the most recent favorable medical decision that the Petitioner was disabled or continues to be disabled. A determination that there has been a decrease in medical severity must be based on changes (improvement) in the symptoms, signs, and/or laboratory findings associated with Petitioner’s impairment(s). If there has been medical improvement as shown by a decrease in medical severity, the trier of fact must proceed to Step 4 (which examines whether the medical improvement is related to the Petitioner’s ability to do work). If there has been no decrease in medical severity and thus no medical improvement, the trier of fact moves to Step 5 in the sequential evaluation process.

On [REDACTED], Petitioner was seen by an independent medical examiner at [REDACTED] for a physical examination. She was seen for an evaluation of a neck



fracture, COPD, sleep apnea, PTSD, major depressive disorder, generalized anxiety disorder, panic attacks, chronic pain syndrome, TMJ, anemia, parathyroid disease, high blood pressure, plantar fasciitis, migraines, and asthma. Petitioner had an anxiety attack in the waiting room which made it difficult for her to be examined. Her physical examination revealed an obese white female not in distress who appeared somewhat indifferent. Lumbar area was slightly tender with muscle spasms present. She has a scar on the medial aspect of the left wrist from a recent surgery which is still tender. She does not have parathyroid disease. Her neck was painful and tender, but with normal range of motion. Petitioner does not have a neck fracture. She has a history of multiple car accidents causing neck injury. Clinical examination does not show any wheezing or acute disease of her lungs. She had an essentially normal physical examination. Department Exhibit 1, pgs. 192-202.

On [REDACTED], Petitioner was seen by an independent medical examiner at [REDACTED] for a psychological examination. She alleges depression, anxiety, and panic attacks. Petitioner was diagnosed with PTSD, chronic with panic attacks, major depressive disorder, recurrent, severe, in partial remission. And other psychotic disorder-attenuated psychotic symptoms. She is capable of managing her benefit funds. Her prognosis was poor. She was guarded. Her mood was anxious and irritable. Petitioner had a restricted affective range with intense eye contact. In the independent examiner's opinion, Petitioner has severe social impairment due to mood, anxiety, panic attacks, distrust, and her affective presentation. Her work ability is similarly impaired. She has variable levels of functioning that fluctuate with her mood and anxiety symptoms. The quality, pace, and consistency of work related tasks would be variable. There was no evidence of a severe thought disorder or risk factors. Department Exhibit 1, pgs. 166-170.

On [REDACTED], Petitioner was seen by her treating physician for a follow up and medication refill. She presented with back pain that was in the low back and a sharp ache. The triggers are bending, lifting, and twisting. The symptoms are alleviated with medications. She had foot pain where she is waiting for bunion surgery. Petitioner also had neck pain. She complained of anxiety, depression, and disturbances of emotion where she takes medication. There was no evidence of a severe thought disorder or risk factors. Her diagnosis was essential primary hypertension, obesity, paresthesia of the skin, jaw pain, and migraine with aura, not intractable, without status migrainosus. Her medications were adjusted as medically required. Department Exhibit 1, pgs. 533-540.

On [REDACTED], Petitioner was seen by her treating therapist at [REDACTED]. Her clinical assessment was sad, sullen, and tearful where she lived a fear based life. She was alert, attentive, oriented times 4, and talkative. The Petitioner was diagnosed with PTSD and generalized anxiety disorder. She was to take her medications as directed and continue with therapy and her psychiatrist. Department Exhibit 1, pg. 311.

This Administrative Law Judge finds that Petitioner has had medical improvement. She still has limitations with her neck from multiple car accidents. Petitioner had a tumor removed on her right foot in January 2017 and bunion surgery on her right foot on August 2017. However, Petitioner is expected to be able to work and not unable to work for 90 days. She is taking medications and in therapy for her mental impairments. There was no evidence of a severe thought disorder or risk factors. Based on her independent psychological evaluation, she would have variation in concentration and functioning so she will be limited to simple and unskilled work. At Step 3, this Administrative Law Judge finds that Petitioner does have medical improvement and her medical improvement is related to Petitioner's ability to perform substantial gainful activity. As a result, Petitioner is able to perform simple and unskilled, light work. Therefore, Petitioner is disqualified from receiving disability at Step 3.

#### Step 4

In Step 4 of the sequential evaluation, the trier of fact must determine whether medical improvement is related to Petitioner's ability to do work in accordance with 20 CFR 416.994(b)(1)(i) through (b)(1)(iv). 20 CFR 416.994(b)(5)(iv). It is the finding of this Administrative Law Judge, after careful review of the record, that there has been medical improvement where she can perform work.

At Step 4, Petitioner testified that she does perform some of her daily living activities. Petitioner testified that her condition has gotten worse because she has passed out because of the COPD and PTSD, which has worsened with therapy. This is not reflected in the objective medical evidence on the record. She does have mental impairments and is taking medications and in therapy. Petitioner has not smoked cigarettes since August 2017, where before she smoked ½ a pack a day of cigarettes. She does not or has ever used illegal or illicit drugs. She drinks alcohol on holidays. Petitioner did not think that there was any work that she could perform.

This Administrative Law Judge finds that Petitioner's medical improvement is related to her ability to do work. Petitioner should be able to perform at least simple and unskilled work. She had an essentially normal physical examination. She is in treatment and taking medications for her mental impairments. She does have physical limitations related to her neck due to multiple car accidents. Therefore, Petitioner is disqualified from receiving disability at Step 4 where Petitioner can perform simple and unskilled, light work. If there is a finding of medical improvement related to Petitioner's ability to perform work, the trier of fact is to move to Step 6 in the sequential evaluation process.

#### Step 6

In the sixth step of the sequential evaluation, the trier of fact is to determine whether the Petitioner's current impairment(s) is not severe per 20 CFR 416.921. 20 CFR 416.994(b)(5)(vi). If the residual functional capacity assessment reveals significant limitations upon a Petitioner's ability to engage in basic work activities, the trier of fact

moves to Step 7 in the sequential evaluation process. In this case, this Administrative Law Judge finds Petitioner can perform at simple and unskilled, light work. See Steps 3 and 4. She was given an essentially normal physical examination except for her neck. She is in treatment and taking medications for her mental impairments. She is physically limited because of her neck. Therefore, Petitioner is not disqualified from receiving disability at Step 6 where the Petitioner passes for severity.

#### Step 7

In the seventh step of the sequential evaluation, the trier of fact is to assess a Petitioner's current ability to engage in substantial gainful activities in accordance with 20 CFR 416.960 through 416.969. 20 CFR 416.994(b)(5)(vii). The trier of fact is to assess the Petitioner's current residual functional capacity based on all current impairments and consider whether the Petitioner can still do work she has done in the past.

At Step 7, Petitioner was last employed as a foster care social worker in July 2011. She has also been employed as a children's protective services worker, and a nanny. In this case, this Administrative Law Judge finds that Petitioner should be able to perform simple and unskilled, light work. Petitioner is not capable of performing past, relevant work at the skilled to unskilled level because it involved the care of other people, which she may not be able to perform with her mental impairments. She is also physically limited with her neck. See Steps 3 and 4. Therefore, Petitioner is not disqualified from receiving disability at Step 7 where Petitioner is not capable of performing her past, relevant work.

#### Step 8

The objective medical evidence on the record is insufficient that Petitioner lacks the residual functional capacity to perform some other less strenuous tasks than in her previous employment or that she is physically unable to do any tasks demanded of her. Petitioner's testimony as to her limitation indicates her limitations are exertional and non-exertional.

For mental disorders, severity is assessed in terms of the functional limitations imposed by the impairment. Functional limitations are assessed using the criteria in paragraph (B) of the listings for mental disorders (descriptions of restrictions of activities of daily living, social functioning; concentration, persistence, or pace; and ability to tolerate increased mental demands associated with competitive work)... 20 CFR, Part 404, Subpart P, App. 1, 12.00(C).

In the instant case, Petitioner testified that she has bipolar disorder, depression, anxiety, and post-traumatic stress disorder. Petitioner is taking medication and in therapy for her mental impairments. See MA analysis step 2. There was no evidence of a serious thought disorder or risk factors. Petitioner has a high school education, a Bachelor's

degree in social work, and a Master's degree in social work. Since she has variations in functioning, she will be limited to simple and unskilled work.

In the final step, Step 8, of the sequential evaluation, the trier of fact is to consider whether the Petitioner can do any other work, given the Petitioner's residual function capacity and Petitioner's age, education, and past work experience. 20 CFR 416.994(b)(5)(viii). In this case, based upon the Petitioner's vocational profile of a younger age individual, with a high school education and more, and a history of unskilled and skilled work, MA-P is denied using Vocational Rule 202.02 as a guide. The Medical-Vocational guidelines are not strictly applied with non-exertional impairments such as bipolar disorder, depression, anxiety, post-traumatic stress disorder. 20 CFR 404, Subpart P, Appendix 2, Section 200.00.


This Administrative Law Judge finds that Petitioner does have medical improvement in this case and the Department has established by the necessary, competent, material and substantial evidence on the record that it was acting in compliance with Department policy when it proposed to close Petitioner's SDA case based upon medical improvement. She was previously approved due to a mental impairment. Petitioner continues to be in therapy and taking medications for her mental impairments. There was no evidence of a serious thought disorder or risk factors. She has physical limitations with her neck due to several car accidents. Because Petitioner does not meet the disability criteria for SDA, she has had medical improvement making her capable of performing simple and unskilled, light work.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds Petitioner not disabled for purposes of the medical review of SDA benefit programs.

### **DECISION AND ORDER**

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

CF/hb

  
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**Carmen G. Fahie**  
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**

[REDACTED]

**Petitioner**

[REDACTED]