



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
MI [REDACTED]

Date Mailed: August 31, 2018
MAHS Docket No.: 18-003773
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Vicki L. Armstrong

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 May 30, 2018, from Lansing, Michigan. Petitioner personally appeared and testified.

The Department of Health and Human Services (Department) was represented by Family Independence Manager Mariah Schaefer. Ms. Schaefer testified on behalf of the Department. The Department submitted 363 exhibits which were admitted into evidence.

On June 4, 2018, an Interim Order Extending the Record was issued requesting Petitioner's medical records from the [REDACTED].

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. On [REDACTED], 2018, Petitioner applied for SDA. [Dept. Exh. 4].
2. On [REDACTED], 2017, Petitioner presented to the emergency department complaining of acute alcohol intoxication. She reported that she started to drink again three days prior. She became very anxious and wanted to get some help for her anxiety. Petitioner was prescribed Restoril and encouraged to see her primary care physician. She was discharged in stable condition with a diagnosis of alcohol intoxication and reactive depression (situational). [Dept. Exh. 291-309].

3. On [REDACTED], 2017, Petitioner reported struggling with depression and anxiety as long as she could remember. She reported making impulsive decisions that are affecting her life in a negative way. She was receiving psychiatric services through [REDACTED] but did not feel that her needs were being met. She stated that she battled with daily suicidal ideations but had no plan or intent at that time. [Dept. Exh. 273].
4. On [REDACTED], 2017, Petitioner met her new primary care provider, reporting she had just moved to Michigan from Kansas. The examining physician opined that Petitioner was tearful, with mild wheezing. Her memory was normal, and she was oriented, with an appropriate mood and affect. She was assessed with chronic obstructive pulmonary disease (COPD), numbness and tingling, focal seizures, bipolar affective disorder and alcohol abuse. [Dept. Exh. 317-322].
5. On [REDACTED], 2017, Petitioner had an MRI and CT scan of the brain. The results were normal. [Dept. Exh. 323-324].
6. On [REDACTED], 2018, Petitioner underwent an initial evaluation at [REDACTED]. She was noted to be neat and clean and of average intelligence. Her communication was normal, her mood unremarkable, her affect was blunted, speech normal, thought content unremarkable, behavior normal, oriented, fair insight, good memory and intact with reality. She was diagnosed with bipolar disorder and alcohol use disorder. [Dept. Exh. 238-247].
7. On [REDACTED], 2018, Petitioner presented to the [REDACTED]. Petitioner reported severe depressive symptoms since October 2017, including depressed mood, markedly diminished interest in pleasant activities, poor self-esteem and feelings of worthlessness and suicidal ideation. Petitioner reported almost daily passive suicidal thoughts, primarily triggered by feelings of negative self-worth. Petitioner indicated she had told her primary care provider that her drinking had increased to a pint of liquor daily. She denied any concerns about alcohol use during the evaluation and stated that "the suicidal thoughts come up more when I'm sober." Petitioner was diagnosed with unspecified bipolar and related disorder and rule-out alcohol use disorder. [Dept. Exh. 192-211].
8. On [REDACTED], 2018, Petitioner underwent a medical review at [REDACTED]. During the review, Petitioner was noted to be quite tearful, upset and depressed. She reported that her mood was not stable. She had stopped taking her antidepressant medication, due to side effects. Petitioner was advised to restart the medication with the appropriate amount of food, and the dosages were increased. Petitioner reported she was still in the manic stage where her mind races and she could not slow it down, causing her to be more depressed. [Dept. Exh. 224-226].
9. On [REDACTED], 2018, Petitioner underwent a mental health consultation with the Veteran's Administration. The Petitioner reported that she was currently receiving treatment through the Allegan CMH for bipolar disorder and most recently, depression with suicidal ideation. Petitioner also reported significant use of alcohol

use and reported reducing her use over the past eight months. She was drinking ½ a pint of gin daily, as opposed to the fifth of gin she was drinking each night eight months ago. [Dept. Exh. 182-183].

10. On [REDACTED], 2018, Petitioner presented to the [REDACTED] for a psychotherapeutic clinical interview. During the interview, the Petitioner's affect was labile, with crying, laughing, and smiling at times that was incongruent with the content of the discussion, and at times, more intense than the situation would trigger. [Petitioner's Exh. 32-33].
11. On March 30, 2018, the Medical Review Team denied Petitioner's SDA application. [Dept. Exh. 4-10].
12. On April 3, 2018, the Department mailed Petitioner a Notice of Case Action, informing her that her SDA application was denied beginning March 1, 2018 ongoing. [Dept. Exh. 1-2].
13. On April 16, 2018, Petitioner submitted a request for hearing.
14. On March 30, 2018, the Medical Review Team denied Petitioner's application for SDA. [Dept. Exh. 4-10].
15. On [REDACTED], 2018, Petitioner kept her appointment with her psychiatrist at the [REDACTED]. Petitioner reported that she was being treated at [REDACTED] for bipolar disorder and depression. Petitioner explained that she lost her job in April as a buyer and that her mood took a turn for the worse. She reported that she was questioning people and things got out of control and she was suicidal. She was psychiatrically hospitalized in her 20's when she was suicidal and diagnosed with bipolar disorder. Petitioner reported that she moving to Kansas on June 1, 2018. She indicated that she continues to drink ½ a pint of gin each night with one drink from the pint before her trip. She reported feeling very aware of the drinking and was drinking almost a fifth. She smokes marijuana a couple of times a day. Petitioner endorsed feelings of depressed, depressed mood, anhedonia, guilt, worthlessness, helplessness, poor energy, decreased sleep, poor appetite, significant anxiety, mania, and racing thoughts. She reported poor sleep of 5-6 hours a night and good appetite and energy. The psychiatrist noted Petitioner was alert and oriented X3, clean, neat, cooperative, tearful and somewhat anxious. Her insight and judgment were fair to good. Petitioner was in touch with reality and capable of making her own health care decisions. She was diagnosed with severe alcohol dependence, focal motor seizures, bipolar affective disorder and psoriasis. [Petitioner's Exh. 12-15].
16. On [REDACTED], 2018, Petitioner presented to her psychiatrist at the [REDACTED]. Petitioner's affect was tearful with an angry mood. She was upset over being "shorted" during her last appointment. Petitioner reported she was still planning on moving from the area on June 1, 2018 and was drinking a ½ pint of gin each night "to put me to sleep." Petitioner was diagnosed with trauma – and other stressor-related

disorder; severe alcohol dependence; borderline personality disorder; and per Petitioner, report of bipolar disorder and depression. [Petitioner's Exh. 10-11].

17. On [REDACTED], 2018, Petitioner credibly testified during the hearing in the above-captioned matter to having Bipolar Disorder, first diagnosed in 1993, and seizures beginning in 2015. Petitioner reported her last seizure was in June 2017. [Testimony of [REDACTED], May 30, 2018].

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.

Current legislative amendments to the Act delineate eligibility criteria as implemented by department policy set forth in program manuals. 2004 PA 344, Sec. 604, establishes the State Disability Assistance program. It reads in part:

Sec. 604 (1). The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempt from the Supplemental Security Income citizenship requirement who are at least 18 years of age or emancipated minors meeting one or more of the following requirements:

(b) A person with a physical or mental impairment which meets federal SSI disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

Specifically, this Act provides minimal cash assistance to individuals with some type of severe, temporary disability which prevents him or her from engaging in substantial gainful work activity for at least ninety (90) days.

A person is disabled for SDA purposes if he or she:

- Receives other specified disability-related benefits or services, see Other Benefits or Services below, 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), see Medical Certification of Disability. BEM 261, pp 1-2 (7/1/2014).

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

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 she has not worked since April. 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 which 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 has been diagnosed with alcohol intoxication, reactive situational depression, depression, anxiety, chronic obstructive pulmonary disease, numbness and tingling, focal seizures, bipolar disorder, alcohol use disorder, suicidal ideation, severe alcohol dependence, focal motor seizures, psoriasis, and borderline personality disorder.

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 and mental 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 SDA 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 been diagnosed with alcohol intoxication, reactive situational depression, depression, anxiety, chronic obstructive pulmonary disease, numbness and tingling, focal seizures, bipolar disorder, alcohol use disorder, suicidal ideation, severe alcohol dependence, focal motor seizures, psoriasis, and borderline personality disorder.

Listing 12.04, Affective Disorders, are characterized by a disturbance of mood, accompanied by a full or partial manic or depressive syndrome. Mood refers to a

prolonged emotion that colors the whole psychic life; it generally involves either depression or elation. The required level of severity for these disorders is met when the medically documented persistence, either continuous or intermittent of depressive syndrome, mania or bipolar disorder result in restrictions on activities of daily living, social functioning, concentration or repeated instances of decompensation.

With regards to the Petitioner's mental impairments, this Administrative Law Judge has carefully considered all the evidence of record in light of the requirements of section 12.04 (affective disorders). The evidence shows Petitioner's mental disorders satisfy the diagnostic criteria that Petitioner has a bipolar disorder. However, her symptoms over the previous year prior to her SDA application, and symptoms since her SDA application do not satisfy the diagnostic criteria.

Petitioner has the burden of establishing her disability. The record evidence was insufficient to meet a listing. While there was evidence of bipolar disorder, there was no evidence that her bipolar disorder, depression or borderline personality disorder was severe enough to meet a listing. Therefore, the analysis continues to Step 4.

Before considering step four of the sequential evaluation process, the Administrative Law Judge must first determine the 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 the 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).

Based on the record evidence, Petitioner lives alone and does her own cooking, grocery shopping and housekeeping. Therefore, Petitioner has the residual functional capacity to perform sedentary work as defined in 20 CFR 404.1567(a). In making this finding, the Administrative Law Judge considered all Petitioner's symptoms and the extent to which these symptoms can reasonably be accepted as consistent with the objective medical evidence and other evidence.

Next, the Administrative Law Judge must determine at step four whether the 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 the 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 the 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 the petitioner has the residual functional capacity to do her past relevant work, the petitioner is not disabled. If the 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 buyer over the past 20 years. The demands of the Petitioner's past relevant work exceed the residual functional capacity. As a result, the analysis continues.

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

In this case, Petitioner alleged she had bipolar disorder and seizures. Petitioner explained that she was taking medication which was controlling the seizures and her last seizure was in June 2017. A review of Petitioner's records from [REDACTED] and the [REDACTED] showed no evidence that Petitioner was incapable of working due to her psychiatric diagnoses.

Therefore, this Administrative Law Judge finds that the objective medical evidence on the record does establish that Petitioner has the residual functional capacity to perform

other work. Petitioner is disqualified from receiving disability at Step 5 based upon the fact that she has not established by objective medical evidence that she cannot perform sedentary work. Under the Medical-Vocational guidelines, an individual aged 50-54 (Petitioner is 50 years of age), with some college and a skilled or semi-skilled transferable work history who can perform even only sedentary work is not considered disabled pursuant to Medical-Vocational Rule 201.15.

Petitioner has not presented the required competent, material, and substantial evidence which would support a finding that Petitioner has an impairment or combination of impairments which would significantly limit the physical or mental ability to do basic work activities. 20 CFR 416.920(c). Although Petitioner has cited medical problems, the clinical documentation submitted by Petitioner is not sufficient to establish a finding that Petitioner is disabled. There is no objective medical evidence to substantiate Petitioner's claim that the alleged impairment(s) are severe enough to reach the criteria and definition of disabled. Accordingly, Petitioner is not disabled for the purposes of the SDA program.

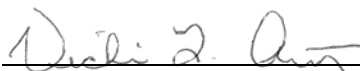
The Department's Bridges Eligibility Manual contains the following policy statements and instructions for caseworkers regarding the State Disability Assistance program: to receive State Disability Assistance, a person must be disabled, caring for a disabled person or age 65 or older. BEM, Item 261, p. 1. Because Petitioner does not meet the definition of disabled and because the evidence of record does not establish that Petitioner is unable to work for a period exceeding 90 days, the Petitioner does not meet the disability criteria for SDA benefits.

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 determined that Petitioner was not eligible to receive SDA.

DECISION AND ORDER

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds Petitioner not disabled for purposes of the SDA benefit program. Accordingly, the Department's determination is **AFFIRMED**.

VLA/nr



Vicki L. 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) 763-0155; 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

Mariah Schaefer
3255 122nd Ave Ste 300
Allegan, MI
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Allegan County DHHS- via electronic mail

BSC3- via electronic mail

L. Karadsheh- via electronic mail

Petitioner

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