



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS
DIRECTOR

[REDACTED]
MI [REDACTED]

Date Mailed: August 14, 2019
MOAHR Docket No.: 19-002992
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 May 9, 2019, from Lansing, Michigan. The Petitioner was represented by himself. The Department of Health and Human Services (Department) was represented by Micaela Grant, Eligibility Specialist. The record was extended for additional medical records which was received on July 16, 2019 and the record was closed.

ISSUE

Whether the Department properly determined that Petitioner was not disabled for purposes of the 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. On [REDACTED] 2018, the Petitioner applied for SDA.
2. On November 16, 2018, the Medical Review Team (MRT) denied the Petitioner's application for SDA is denied per BEM 261 because the nature and severity of the Petitioner's impairments would not preclude work activity at the above stated level for 90 days and is capable of performing other work under Medical Vocation Grid Rule 202.14 per 20 CFR 416.920(f).
3. On March 7, 2019, the Department Caseworker sent the Petitioner a notice that his application was denied.

4. On March 19, 2019, the Department received a hearing request from the Petitioner, contesting the Department's negative action.
5. The Petitioner is a [REDACTED] year-old man whose date of birth is [REDACTED]. The Petitioner is [REDACTED] tall and weighs [REDACTED] pounds. The Petitioner completed High School. He was special education for English. The Petitioner can read and write and do basic math except division. The Petitioner was last employed as a journeyman millwright in 2014 at the medium/heavy level, which is his pertinent work history.
6. The Petitioner's alleged impairments are hernia surgery, dementia, degenerative disc disease, arthritis in knees and heads, irritable bowel syndrome, bipolar disorder, blurry vision, and hearing impaired.
7. The Petitioner was seen by his independent medical psychiatrist for a psychiatric evaluation on [REDACTED] [REDACTED] 2018. He was referred for a mental status examination by the Department of Disability Determination Services to assist his determining eligibility for disability assistance at this time. He was applying for disability assistance because he has a hard time dealing with people where he claimed to have a narcissistic personality disorder, a rotator cuff injury, bipolar, a broken back, and knee injuries. He was diagnosed with bipolar one disorder current or most recent episode depressed, moderate with psychotic features. He was also diagnosed with conduct disorder, adolescent onset type, intermittent explosive disorder, antisocial personality disorder, alcohol use disorder, cannabis use disorder, moderate, in full reported remission, cocaine use disorder, severe, and full reported remission, and opioid use disorder, severe, and full reported remission. He presented depressed with a sad affect and describe experiences both mania and depression as well as feelings of paranoia. She demonstrated adequate understanding of both simple and complex instructions. He demonstrated adequate ability to interact appropriately with this evaluator but has a significant history of interpersonal difficulties. At this time, his prognosis for improved psychological and adaptive functioning is poor. He can manage his own benefit funds. There was no evidence of a severe thought disorder. He did present with some paranoia. He also had feelings of worthlessness at times and suicidal ideation. Department Exhibit 1, pgs. 277-281.
8. On [REDACTED] [REDACTED] 2018, the Petitioner was seen by his treating physician at [REDACTED]. He was seen for a chief complaint and a follow-up on back pain. He stated that he starts physical therapy next week for his back. He also needs a referral to psych. The Petitioner would like to discuss decrease in the gabapentin medication. He thinks that it's affecting his memory. He stated that he had back pain with an intensity of a 4 to 5 that is sharp and consistent. He complains of anxiety. He had a normal neurological exam. Department Exhibit 1, pgs. 300-304.

9. On [REDACTED] [REDACTED] 2019, the Petitioner was seen by his treating physician at [REDACTED]. The Petitioner stated that his right elbow cellulitis has improved, but still present with the pain is reduced to a 5 out of 10 last week to a 1 out of 10 today. He has completed the prednisone therapy. He stated that the pain is like a minor ache. He has the usual low back pain and knee pain. He stated that his mental health has been poor. The Petitioner stated that he has ideation of suiting shooting himself but denies current intent. He states that he has access to guns. A partial hospitalization was discussed and the need to follow up with his psychiatrist. He had an otherwise normal physical exam. Petitioner Exhibit 1, A.
10. On [REDACTED] [REDACTED] 2019, the Petitioner was seen at [REDACTED]. He was seen for an abdominal wall defect where he has been having pain of a dull constant achy. He does have a daily bowel movement and a good appetite. The Petitioner was found to have an incarcerated umbilical hernia, not completely reducible, with very minimal overlying skin change and an erythematous hue. It was tender to palpitation. No other hernia defects were identified. He was scheduled for surgery with the use of a possible mesh. Petitioner Exhibit 1, D.
11. On [REDACTED] [REDACTED] 2019, the Petitioner was admitted to [REDACTED] with a discharge date of [REDACTED] [REDACTED] 2019. He had a ventral hernia repair two days ago. He woke up this morning with generalized body aches and stated he was unable to get out of bed this morning secondary to pain. He was admitted for IV fluids based on testing. It was determined that this was not a surgical complication as his symptoms appear more systemic. His discharge diagnosis was acute gout that was improved. Acute kidney injury from dehydration and medication that was resolved. Rhabdomyolysis that was also resolved. Chronic back pain and bipolar depression was also noted. Petitioner Exhibit 1, C.
12. On [REDACTED] [REDACTED] 2019, the Petitioner was seen at [REDACTED] with a discharge date of June [REDACTED] 2019. He was diagnosed with incarcerated umbilical hernia, low back pain, and mental disorder. He underwent a procedure to repair an incarcerated umbilical hernia with mesh. He had redness and warmth and swelling of his right olecranon bursa. It is surrounded by cellulitis the covers more than 50% of his arm. No active drainage. He has full range of motion of his right shoulder, elbow, and wrist. He has no swelling distal to forearm. He was neurovascular intact. His left arm was normal to inspection. He was he was discharged in an improved condition. Petitioner's Exhibit 1, B.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of 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.

The Department conforms to State statute in administering the SDA program.

2000 PA 294, Sec. 604, of the statute states:

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 exempted from the supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

- (a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.
- (b) A person with a physical or mental impairment which meets federal supplemental security income 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.

Pursuant to Federal Rule 42 CFR 435.540, the Department uses the Federal Supplemental Security Income (SSI) policy in determining eligibility for disability. 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.

A set order is used to determine disability. Current work activity, severity of impairments, residual functional capacity, past work, age, or education and work experience are reviewed. If there is a finding that an individual is disabled or not disabled at any point in the review, there will be no further evaluation. 20 CFR 416.920.

Medical evidence may contain medical opinions. Medical opinions are statements from physicians and psychologists or other acceptable medical sources that reflect judgments about the nature and severity of the impairment(s), including symptoms, diagnosis and prognosis, what an individual can do despite impairment(s), and the physical or mental restrictions. 20 CFR 416.927(a)(2).

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).

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, Appendix 1, 12.00(C).

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.

Pursuant to 20 CFR 416.920, a five-step sequential evaluation process is used to determine disability. An individual's current work activity, the severity of the impairment, the residual functional capacity, past work, age, education and work experience are evaluated. If an individual is found disabled or not disabled at any point, no further review is made.

The first step is to determine if an individual is working and if that work is "substantial gainful activity" (SGA). If the work is SGA, an individual is not considered disabled regardless of medical condition, age or other vocational factors. 20 CFR 416.920(b).

Secondly, the individual must have a medically determinable impairment that is "severe" or a combination of impairments that is "severe." 20 CFR 404.1520(c). An impairment or combination of impairments is "severe" within the meaning of regulations if it significantly limits an individual's ability to perform basic work activities. An impairment or combination of impairments is "not severe" when medical and other evidence establish only a slight abnormality or a combination of slight abnormalities that would have no more than a minimal effect on an individual's ability to work. 20 CFR 404.1521; Social Security Rulings (SSRs) 85-28, 96-3p, and 96-4p. If the Petitioner does not have

a severe medically determinable impairment or combination of impairments, the Petitioner is not disabled. If the Petitioner has a severe impairment or combination of impairments, the analysis proceeds to the third step.

The third step in the process is to assess whether the impairment or combination of impairments meets a Social Security listing. If the impairment or combination of impairments meets or is the medically equivalent of a listed impairment as set forth in Appendix 1 and meets the durational requirements of 20 CFR 404.1509, the individual is considered disabled. If it does not, the analysis proceeds to the next step.

Before considering step four of the sequential evaluation process, the trier must determine the Petitioner's residual functional capacity. 20 CFR 404.1520(e). An individual's residual functional capacity is his ability to do physical and mental work activities on a sustained basis despite limitations from his impairments. In making this finding, the trier must consider all of the Petitioner's impairments, including impairments that are not severe. 20 CFR 404.1520(e) and 404.1545; SSR 96-8p.

The fourth step of the process is whether the Petitioner has the residual functional capacity to perform the requirements of his past relevant work. 20 CFR 404.1520(f). The term past relevant work means work performed (either as the Petitioner actually performed it or as is it generally performed in the national economy) within the last 15 years or 15 years prior to the date that disability must be established. If the Petitioner has the residual functional capacity to do past relevant work, then 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 step.

In the fifth step, an individual's residual functional capacity is considered in determining whether disability exists. An individual's age, education, work experience and skills are used to evaluate whether an individual has the residual functional capacity to perform work despite limitations. 20 CFR 416.920(e).

Here, the Petitioner has satisfied requirements as set forth in steps one and two of the sequential evaluation. However, the Petitioner's impairments do not meet a listing as set forth in Appendix 1, 20 CFR 416.926 for step 3. Therefore, vocational factors will be considered to determine the Petitioner's residual functional capacity to do relevant work and past relevant work.

In the present case, the Petitioner was seen by his independent medical psychiatrist for a psychiatric evaluation on [REDACTED] 2018. He was referred for a mental status examination by the Department of Disability Determination Services to assist his determining eligibility for disability assistance at this time. He was applying for disability assistance because he has a hard time dealing with people where he claimed to have a narcissistic personality disorder, a rotator cuff injury, bipolar, a broken back, and knee injuries. He was diagnosed with bipolar one disorder current or most recent episode depressed, moderate with psychotic features. He was also diagnosed with conduct disorder, adolescent onset type, intermittent explosive disorder, antisocial personality

disorder, alcohol use disorder, cannabis use disorder, moderate, in full reported remission, cocaine use disorder, severe, and full reported remission, and opioid use disorder, severe, and full reported remission. He presented depressed with a sad affect and describe experiences both mania and depression as well as feelings of paranoia. She demonstrated adequate understanding of both simple and complex instructions. He demonstrated adequate ability to interact appropriately with this evaluator but has a significant history of interpersonal difficulties. At this time, his prognosis for improved psychological and adaptive functioning is poor. He can manage his own benefit funds. There was no evidence of a severe thought disorder. He did present with some paranoia. He also had feelings of worthlessness at times and suicidal ideation. Department Exhibit 1, pgs. 277-281.

On [REDACTED] 2018, the Petitioner was seen by his treating physician at [REDACTED]. He was seen for a chief complaint and a follow-up on back pain. He stated that he starts physical therapy next week for his back. He also needs a referral to psych. The Petitioner would like to discuss decrease in the gabapentin medication. He thinks that it's affecting his memory. He stated that he had back pain with an intensity of a 4 to 5 that is sharp and consistent. He complains of anxiety. He had a normal neurological exam. Department Exhibit 1, pgs. 300-304.

On [REDACTED], 2019, the Petitioner was seen by his treating physician at [REDACTED]. The Petitioner stated that his right elbow cellulitis has improved, but still present with the pain is reduced to a 5 out of 10 last week to a 1 out of 10 today. He has completed the prednisone therapy. He stated that the pain is like a minor ache. He has the usual low back pain and knee pain. He stated that his mental health has been poor. The Petitioner stated that he has ideation of suiting shooting himself but denies current intent. He states that he has access to guns. A partial hospitalization was discussed and the need to follow up with his psychiatrist. He had an otherwise normal physical exam. Petitioner Exhibit 1, A.

On [REDACTED], 2019, the Petitioner was seen at [REDACTED] emergency room. He was seen for an abdominal wall defect where he has been having pain of a dull constant achy. He does have a daily bowel movement and a good appetite. The Petitioner was found to have an incarcerated umbilical hernia, not completely reducible, with very minimal overlying skin change and an erythematous hue. It was tender to palpitation. No other hernia defects were identified. He was scheduled for surgery with the use of a possible mesh. Petitioner Exhibit 1, D.

On [REDACTED], 2019, the Petitioner was admitted to [REDACTED] with a discharge date of [REDACTED] 2019. He had a ventral hernia repair two days ago. He woke up this morning with generalized body aches and stated he was unable to get out of bed this morning secondary to pain. He was admitted for IV fluids based on testing. It was determined that this was not a surgical complication as his symptoms appear more systemic. His discharge diagnosis was acute gout that was improved. Acute kidney injury from dehydration and medication that was resolved. Rhabdomyolysis that was

also resolved. Chronic back pain and bipolar depression was also noted. Petitioner Exhibit 1, C.

On [REDACTED], 2019, the Petitioner was seen at [REDACTED] with a discharge date of [REDACTED], 2019. He was diagnosed with incarcerated umbilical hernia, low back pain, and mental disorder. He underwent a procedure to repair an incarcerated umbilical hernia with mesh. He had redness and warmth and swelling of his right olecranon bursa. It is surrounded by cellulitis the covers more than 50% of his arm. No active drainage. He has full range of motion of his right shoulder, elbow, and wrist. He has no swelling distal to forearm. He was neurovascular intact. His left arm was normal to inspection. He was he was discharged in an improved condition. Petitioner's Exhibit 1, B.

This Administrative Law Judge finds that the Petitioner may be physically limited because of hernia surgery in April 2019 and cellulitis in June 2019. There was no evidence of severe thought disorder. The Petitioner is taking medications for his mental impairments and will start therapy in June 2019. He is not severely limited for 90 days or more. He will be limited to light work.

It is the finding of this Administrative Law Judge, based upon the medical evidence and objective, physical and psychological findings that the Petitioner testified that he does perform some of his daily living activities. However, those limitations are not supported by the objective medical evidence on the record. The Petitioner does feel that his condition has worsened because of his physical and mental decline. The Petitioner stated that he does have mental impairments where he is taking medication and starting therapy in June 2019. The Petitioner smokes one to two cigarettes a day that he bums for. He stopped drinking one year ago where before he drunk a lot of a six pack of beer plus hard liquor. He stopped using illegal and illicit drugs of marijuana and crack cocaine two or three years ago. The Petitioner did not feel there was any work he could do.

At Step 4, this Administrative Law Judge finds that the Petitioner has established that he cannot perform any of his prior work. He was previously employed as a journeyman millwright in 2014 at the medium/heavy level, which is his pertinent work history. The Petitioner is in therapy and taking medication for his mental impairments. He has issues with his right arm and his back. Therefore, the Petitioner is not disqualified from receiving disability at Step 4. The Petitioner is not capable of performing his past work. However, the Administrative Law Judge will still proceed through the sequential evaluation process to determine whether or not the Petitioner has the residual functional capacity to perform some other less strenuous tasks than in his prior jobs.

The objective medical evidence on the record is insufficient that the Petitioner lacks the residual functional capacity to perform some other less strenuous tasks than in him previous employment or that he is physically unable to do any tasks demanded of him. The Petitioner's testimony as to his limitation indicates his limitations are non-exertional and 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, the Petitioner testified that he has bipolar disorder and anxiety. The Petitioner is taking medication and will be starting therapy in June 2019 for his mental impairments. See MA analysis step 2. There was no evidence of a serious thought disorder or current risk factors.

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

At Step 5, the Petitioner can meet the physical requirements of light work, based upon the Petitioner's physical abilities. Under the Medical-Vocational guidelines, a closely approaching advanced retirement age individual with a high school education, and a semi-skilled work history, who is limited to light work, is considered not disabled. 20 CFR 404, Subpart P, Appendix 2, Rule 202.14. The Medical-Vocational guidelines are not strictly applied with non-exertional impairments such as bipolar disorder and anxiety. 20 CFR 404, Subpart P, Appendix 2, Section 200.00. Using the Medical-Vocational guidelines as a framework for making this decision and after giving full consideration to the Petitioner's mental and physical impairments, the Administrative Law Judge finds that the Petitioner could perform light work and that the Petitioner does not meet the definition of disabled under the SDA program.

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, if any, finds Petitioner not disabled for purposes of the SDA benefit program. The Petitioner could perform light work and that the Petitioner does not meet the definition of disabled under the SDA program.

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



CF/nr

Carmen G. Fahie
Administrative Law Judge
for Robert Gordon, 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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

DHHS

Kim Cates
1399 W. Center Road
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Bay County DHHS- via electronic mail

BSC2- via electronic mail

L. Karadsheh- via electronic mail

Petitioner

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