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

ORLENE HAWKS DIRECTOR



Date Mailed: March 25, 2022 MOAHR Docket No.: 21-005996 Agency No.: Petitioner:

# ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun

## **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 hearing was held via videoconference on February 24, 2022, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Dreama Baker, Eligibility Specialist.

## **ISSUE**

Did the Department properly determine 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 or around **accession**, 2021, Petitioner submitted an application seeking cash assistance benefits on the basis of a disability.
- 2. On or around December 8, 2021, the Disability Determination Service (DDS) found Petitioner not disabled for purposes of the SDA program. (Exhibit A, pp. 39-55)
- 3. On or around December 13, 2021, the Department sent Petitioner a Notice of Case Action denying her SDA application based on DDS' finding that she was not disabled. (Exhibit A, pp. 7-8)
- 4. On or around December 14, 2021, Petitioner submitted a timely written Request for Hearing disputing the Department's denial of her SDA application. (Exhibit A, p. 3)

- 5. Petitioner alleged disabling impairments due to foot surgery to treat hallux valgus, hammer toe, and Lapidus bunionectomy. Petitioner confirmed that she did not allege any mental disabling impairments.
- 6. As of the hearing date, Petitioner was years old with a 1986, date of birth; she was and weighed pounds.
- 7. Petitioner obtained a high school diploma and has reported employment history of work as a dock loader with a manufacturing company, a yard specialist working with heavy construction equipment, a quality control specialist at a manufacturing company, and a logistics operator with the Army. Petitioner has reportedly not been employed since March 2020.
- 8. Petitioner has a pending disability claim with the Social Security Administration (SSA).

# 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.

Petitioner applied for cash assistance alleging a disability. A disabled person is eligible for SDA. BEM 261 (April 2017), p. 1. An individual automatically qualifies as disabled for purposes of the SDA program if the individual receives Supplemental Security Income (SSI) or Medical Assistance (MA-P) benefits based on disability or blindness. BEM 261, p. 2. Otherwise, to be considered disabled for SDA purposes, a person must have a physical or mental impairment for at least ninety days which meets federal SSI disability standards, meaning the person is unable to do any substantial gainful activity by reason of any medically determinable physical or mental impairment. BEM 261, pp. 1-2; 20 CFR 416.901; 20 CFR 416.905(a).

Determining whether an individual is disabled for SSI purposes requires the application of a five step evaluation of whether the individual (1) is engaged in substantial gainful activity (SGA); (2) has an impairment that is severe; (3) has an impairment and duration that meet or equal a listed impairment in Appendix 1 Subpart P of 20 CFR 404; (4) has the residual functional capacity to perform past relevant work; and (5) has the residual functional capacity and vocational factors (based on age, education and work experience) to adjust to other work. 20 CFR 416.920(a)(1) and (4); 20 CFR 416.945. If an individual is found disabled, or not disabled, at any step in this process, 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).

In general, the individual has the responsibility to establish a disability 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, if a mental disability is alleged, to reason and make appropriate mental adjustments. 20 CFR 416.912(a); 20 CFR 416.913. 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, are insufficient to establish disability. 20 CFR 416.927(d).

# <u>Step One</u>

The first step in determining whether an individual is disabled requires consideration of the individual's current work activity. 20 CFR 416.920(a)(4)(i). If an individual is working and the work is SGA, then the individual must be considered not disabled, regardless of medical condition, age, education, or work experience. 20 CFR 416.920(b); 20 CFR 416.971. SGA means work that involves doing significant and productive physical or mental duties and that is done, or intended to be done, for pay or profit. 20 CFR 416.972.

In this case, Petitioner was not working during the period for which assistance might be available. Because Petitioner was not engaged in SGA, she is not ineligible under Step 1, and the analysis continues to Step 2.

## Step Two

Under Step 2, the severity and duration of an individual's alleged impairment is considered. If the individual does not have a severe medically determinable physical or mental impairment (or a combination of impairments) that meets the duration requirement, the individual is not disabled. 20 CFR 416.920(a)(4)(ii). The duration requirement for SDA means that the impairment is expected to result in death or has lasted, or is expected to last, for a continuous period of at least 90 days. 20 CFR 416.922; BEM 261, p. 2.

An impairment, or combination of impairments, is severe if it significantly limits an individual's physical or mental ability to do basic work activities. 20 CFR 416.920(a)(4)(ii); 20 CFR 416.920(c). Basic work activities mean the abilities and aptitudes necessary to do most jobs, such as (i) physical functions such as walking, standing, sitting, lifting, pushing, pulling, reaching, carrying, or handling; (ii) the capacity to see, hear, and speak; (iii) the ability to understand, carry out, and remember simple instructions; (iv) use of judgment; (v) responding appropriately to supervision, coworkers and usual work situations; and (vi) dealing with changes in a routine work setting. 20 CFR 416.921(b). A claim may be denied at Step 2 only if the evidence shows that the individual's impairments, when considered in combination, do not have more

than a minimal effect on the person's physical or mental ability to perform basic work activities. Social Security Ruling (SSR) 85-28.

The individual bears the burden to present sufficient objective medical evidence to substantiate the alleged disabling impairments. While the Step 2 severity requirement may be employed as an administrative convenience to screen out claims that are totally groundless solely from a medical standpoint, under the de minimis standard applied at Step 2, an impairment is severe unless it is only a slight abnormality that minimally affects work ability regardless of age, education and experience. *Higgs v Bowen*, 880 F2d 860, 862-863 (CA 6, 1988), citing *Farris v Sec of Health and Human Services*, 773 F2d 85, 90 n.1 (CA 6, 1985). A claim may be denied at Step 2 only if the evidence shows that the individual's impairments, when considered in combination, are not medically severe, i.e., do not have more than a minimal effect on the person's physical or mental ability to perform basic work activities. Social Security Ruling (SSR) 85-28. If such a finding is not clearly established by medical evidence or if the effect of an impairment or combination of impairments on the individual's ability to do basic work activities cannot be clearly determined, adjudication must continue through the sequential evaluation process. Id.; SSR 96-3p.

The medical evidence presented at the hearing was thoroughly reviewed and is briefly summarized below.

Records from Petitioner's treatment with Bazzi Podiatry were presented and reviewed. On 2021, Petitioner presented to the clinic with a chief complaint of bilateral foot pain for several months, exacerbated lately with a pain level being 8/10 in severity, especially in the right foot. Petitioner reported bunion deformity, painful lesion plantar foot, painful corn on her second toe, and reported that her feet give out on her and are not supportive when running and walking. Petitioner reported having a custom molded orthotic and receiving treatment in the form of a cortisone injection with little relief. Petitioner was referred to the clinic for surgical intervention. Physical examination showed decreased arch foot deformity, rear foot valgus, forefoot varus, hyper mobile foot deformity, hallux abducto valgus deformity noted with exostosis palpated first MPJ, tenderness palpation on the right first MPJ, no warmth to palpation, hammer toe syndrome noted bilaterally, hyper keratosis in the second digit, painful lesion/keratosis noted in the sub forth MPJ bilaterally, hammer toe syndrome noted bilaterally, and decreased range of motion at the first MPJ upon lading the first metatarsal, too many toes sign noted upon weight-bearing, and decreased calcaneal stance position. X-rays were taken bilaterally showing increased inter metatarsal angle between the first and second metatarsal more than 12° hammer toe syndrome. Petitioner was diagnosed with pes planus, hallux abducto valgus deformity, hammer toe syndrome, painful keratosis, functional hallux limitus and capsulitis pain in the right first MPJ. Petitioner was informed that she was a candidate for surgical correction of her foot with multiple procedures including foot deformity offloading, padding/taping/shaving of the lesions and toe spacers with bunion pads.

, 2021, Petitioner returned for a surgical evaluation and recommendation, On reporting that her foot is now causing pain up to her knee and hip on the right, resulting in difficulty walking. Petitioner reported that she has tried injections and wearing wider shoes, but still suffers from pain and problems, especially when walking distances. Petitioner reported that she has been recommended custom orthotics and over-thecounter inserts with no improvement. She has failed conservative care. Petitioner indicated she has severe pain to the right foot. X rays were reviewed and show a large increase in intermetatarsal angle of first ray to approximately 18 degrees. Hallux values angle was noted to be approximately 25 degrees. A contracture of hammertoe syndrome to the right second digit with narrowing of joint spaces was noted, as was abnormal metatarsal parabola with plantar declination with fourth ray. Petitioner's condition was noted to be severe. It was recommended that Petitioner undergo foot surgery, including a Lapidus bunionectomy with akin osteotomy and arthroplasty of the right second digit along with osteotomy of the right fourth metatarsal. Petitioner was advised that another contralateral foot surgery would be recommended after her recovery from the right foot surgery. Petitioner was informed that her post surgery recovery could include non-weightbearing, a cast, and additional weeks in a surgical boot.

2021, Petitioner underwent right foot surgery and on 2021, In late presented for a post-surgical follow-up. Petitioner appeared utilizing crutches and a fiberglass cast. After examination, Petitioner's sutures were observed to be intact, with no drainage. Mild edema was noted. Petitioner was instructed to continue rest and elevation and received another below knee fiberglass cast. Petitioner was instructed to continue non-weightbearing and to return in one week for suture removal. On , 2021, Petitioner returned to the clinic for post-surgical follow-up. It was noted that at six weeks post-surgery, Petitioner remained in a fiberglass cast to her lower extremity and continued to utilize her crutches. X-ray imaging showed good alignment with the hardware intact. On physical examination, the incisions appeared to be closed with mild swelling, dry scaly skin was noted, pulses were palpable bilaterally. there was intact to light touch sensation and tenderness to the range of motion at the first MPJ at the ankle and midfoot. It was recommended that Petitioner start therapy and afterwards, transition to a surgical shoe with partial weight-bearing.

In consideration of the *de minimis* standard necessary to establish a severe impairment under Step 2, the foregoing medical evidence is sufficient to establish that Petitioner suffers from severe impairments that have lasted or are expected to last for a continuous period of not less than 90 days. Therefore, Petitioner has satisfied the requirements under Step 2, and the analysis will proceed to Step 3.

## Step Three

Step 3 of the sequential analysis of a disability claim requires a determination if the individual's impairment, or combination of impairments, is listed in Appendix 1 of Subpart P of 20 CFR, Part 404. 20 CFR 416.920(a)(4)(iii). If an individual's impairment, or combination of impairments, is of a severity to meet or medically equal the criteria of

a listing and meets the duration requirement (20 CFR 416.909), the individual is disabled. If not, the analysis proceeds to the next step.

Based on the medical evidence presented in this case and the listing criteria applicable at the time of Petitioner's application date, listing 1.02 (major dysfunction of a joint(s) due to any cause) was considered. A thorough review of the medical evidence presented does **not** show that Petitioner's impairments meet or equal the required level of severity of any of the listings in Appendix 1 to be considered as disabling without further consideration. Therefore, Petitioner is not disabled under Step 3 and the analysis continues to Step 4.

#### Residual Functional Capacity

If an individual's impairment does not meet or equal a listed impairment under Step 3, before proceeding to Steps 4 and 5, the individual's residual functional capacity (RFC) is assessed. 20 CFR 416.920(a)(4); 20 CFR 416.945. RFC is the most an individual can do, based on all relevant evidence, despite the limitations from the impairment(s), including those that are not severe, and takes into consideration an individual's ability to meet the physical, mental, sensory and other requirements of work. 20 CFR 416.945(a)(1), (4); 20 CFR 416.945(e).

RFC is assessed based on all relevant medical and other evidence such as statements provided by medical sources, whether or not they are addressed on formal medical examinations, and descriptions and observations of the limitations from impairment(s) provided by the individual or other persons. 20 CFR 416.945(a)(3). This includes consideration of (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).

Limitations can be exertional, nonexertional, or a combination of both. 20 CFR 416.969a. If individual's impairments and related symptoms, such as pain, affect only the ability to meet the strength demands of jobs (i.e., sitting, standing, walking, lifting, carrying, pushing, and pulling), the individual is considered to have only exertional limitations. 20 CFR 416.969a(b).

The exertional requirements, or physical demands, of work in the national economy are classified as sedentary, light, medium, heavy, and very heavy. 20 CFR 416.967; 20 CFR 416.969a(a). 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 and occasionally walking and standing. 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 the light 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. 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. 20 CFR 416.967(d). Very heavy work involves lifting objects weighing more than 100 pounds at a time with frequent lifting or carrying of objects weighing 50 pounds or more. 20 CFR 416.967(e).

If an individual has limitations or restrictions that affect the ability to meet demands of jobs **other than** strength, or exertional, demands, the individual is considered to have only nonexertional limitations or restrictions. 20 CFR 416.969a(a) and (c). Examples of non-exertional limitations or restrictions include difficulty functioning due to nervousness, anxiousness, or depression; difficulty maintaining attention or concentration; difficulty understanding or remembering detailed instructions; difficulty in seeing or hearing; difficulty tolerating some physical feature(s) of certain work settings (i.e., unable to tolerate dust or fumes); or difficulty performing the manipulative or postural functions of some work such as reaching, handling, stooping, climbing, crawling, or crouching. 20 CFR 416.969a(c)(1)(i) – (vi).

In this case, Petitioner alleges exertional and nonexertional limitations due to her impairments. Petitioner testified that on or around 2021, she underwent three reconstructive surgeries to her right foot, during which pins were inserted, and her bunions and hammertoe were addressed. Petitioner testified that her toes had to be shaved down. Petitioner testified that she can no longer run or jog, that she suffers from stiff toes, and testified that the pins inserted into her right foot continue to cause extreme pain and she is unable to balance. Petitioner reported that her left foot has similar issues but not as severe. Petitioner testified that she began physical therapy in

2021 and that she continues to participate in physical therapy three times a week. While she reported that her condition is improving with physical therapy and that as of the hearing date, she was able to stand for about two hours, Petitioner asserted that for 10 weeks after her surgery, her foot was in a hard cast up to her knee. She continued to be non-weight-bearing for 16 weeks after her surgery and was required to keep her foot elevated. Petitioner testified that she used crutches for 16 weeks after her surgery and following 10 weeks of a hard cast, she was transferred to a surgical boot that she sometimes still wears. Petitioner testified that because she was non-weightbearing for 16 weeks, she was unable to walk during that time, and unable to do any lifting. Petitioner reported that she was unable to bend or squat at all for the 16 weeks in which she was non-weight-bearing. Petitioner testified that at the time of her surgery and in the weeks continuing afterwards, she was not able to bathe, and washed herself while seated at the sink. Petitioner reported that she was unable to cook. Petitioner testified that as of the hearing date, she still has not gained full range of motion to her foot and ankle.

A two-step process is applied in evaluating an individual's symptoms: (1) whether the individual has a medically determinable impairment that could reasonably be expected to produce the individual's alleged symptoms and (2) whether the individual's statement

about the intensity, persistence and limiting effects of symptoms are consistent with the objective medical evidence and other evidence on the record from the individual, medical sources and nonmedical sources. SSR 16-3p.

The evidence presented is considered to determine the consistency of Petitioner's statements regarding the intensity, persistence and limiting effects of her symptoms. A thorough review of Petitioner's medical records supports Petitioner's testimony regarding the severity of her impairment for the time period of her application date and 2021. Based on a thorough review of Petitioner's continuing through medical records and in consideration of the evidence presented from Petitioner's treating physicians showing that Petitioner underwent three surgical procedures to her right foot, was in a hard cast up to her knee for at least 10 weeks, continued to use crutches and was non-weightbearing for at least 16 weeks, and was required to elevate her foot/ankle to avoid swelling, with respect to Petitioner's exertional limitations, it is found, based on a review of the entire record, that Petitioner maintained the physical capacity to perform less than sedentary work for the time period of 2021. 2021. Although Petitioner testified that she continued to through experience disabling symptoms due to her conditions after this time, there was no medical evidence presented in support of Petitioner's testimony, and the evidence suggested that in the 16 weeks after her surgery, Petitioner's condition and exertional RFC improved.

Petitioner's RFC is considered at both Steps 4 and 5. 20 CFR 416.920(a)(4), (f) and (g).

#### Step Four

Step 4 in analyzing a disability claim requires an assessment of Petitioner's RFC and past relevant employment. 20 CFR 416.920(a)(4)(iv). Past relevant work is work that has been performed by Petitioner (as actually performed by Petitioner or as generally performed in the national economy) within the past 15 years that was SGA and that lasted long enough for the individual to learn the position. 20 CFR 416.960(b)(1) and (2). An individual who has the RFC to meet the physical and mental demands of work done in the past is not disabled. *Id.*; 20 CFR 416.960(b)(3); 20 CFR 416.920. Vocational factors of age, education, and work experience, and whether the past relevant employment exists in significant numbers in the national economy are **not** considered. 20 CFR 416.960(b)(3).

Petitioner's work history in the 15 years prior to the application consists of employment as a dock loader with a manufacturing company, a yard specialist working with heavy construction equipment, a quality control specialist at a manufacturing company, and a logistics operator with the Army. Upon review, Petitioner's past employment is characterized as requiring light to medium exertion. Based on the RFC analysis above, Petitioner is limited to less than sedentary work activities from 2021, through 2021. As such, Petitioner is incapable of performing past relevant work. Because Petitioner is unable to perform past relevant work, she cannot be found disabled, or not disabled, at Step 4, and the assessment continues to Step 5.

#### Step Five

If an individual is incapable of performing past relevant work, Step 5 requires an assessment of the individual's RFC and age, education, and work experience to determine whether an adjustment to other work can be made. 20 CFR 416.920(a)(4)(v); 20 CFR 416.920(c). If the individual can adjust to other work, then there is no disability; if the individual cannot adjust to other work, then there is a disability. 20 CFR 416.920(a)(4)(v).

At this point in the analysis, the burden shifts from Petitioner to the Department to present proof that Petitioner has the RFC to obtain and maintain substantial gainful employment. 20 CFR 416.960(c)(2); *Richardson v Sec of Health and Human Services*, 735 F2d 962, 964 (CA 6, 1984). While a vocational expert is not required, a finding supported by substantial evidence that the individual has the vocational qualifications to perform specific jobs is needed to meet the burden. *O'Banner v Sec of Health and Human Services*, 587 F2d 321, 323 (CA 6, 1978).

When the impairment(s) and related symptoms, such as pain, only affect the ability to perform the exertional aspects of work-related activities, Medical-Vocational guidelines found at 20 CFR Subpart P, Appendix 2, may be used to satisfy the burden of proving that the individual can perform specific jobs in the national economy. *Heckler v Campbell*, 461 US 458, 467 (1983); *Kirk v Secretary*, 667 F2d 524, 529 (CA 6, 1981) *cert den* 461 US 957 (1983).

However, when a person has a combination of exertional and nonexertional limitations or restrictions, the rules pertaining to the strength limitations provide a framework to guide the disability determination **unless** there is a rule that directs a conclusion that the individual is disabled based upon strength limitations. 20 CFR 416.969a(d).

In this case, Petitioner was years old at the time of application and at the time of hearing, and thus, considered to be a younger individual (age 18-44) for purposes of Appendix 2. She completed high school and unskilled work history. As discussed above, from 2021, 202

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 disabled for purposes of the SDA benefit program from the date of application, through 2021.

# DECISION AND ORDER

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

THE DEPARTMENT IS ORDERED TO INITIATE THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE THE ORDER WAS ISSUED:

- 1. Reregister and process Petitioner's **Example**, 2021, SDA application to determine if all the other non-medical criteria are satisfied from the date of application through **Example**, 2021, and notify Petitioner of its determination; and
- 2. Supplement Petitioner for lost benefits, if any, that Petitioner was entitled to receive if otherwise eligible and qualified from the date of application through 2021.

Jamab Raylow

ZB/ml

Záinab A. Báydoun Administrative Law Judge

**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

**Electronic Mail Recipients:** 

MDHHS-Wayne-17-hearings BSC4 L. Karadsheh MOAHR

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