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GOVERNOR

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

MARLON BROWN
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED], MI [REDACTED]

Date Mailed: March 19, 2025
MOAHR Docket No.: 24-012864
Agency No.: [REDACTED]
Petitioner: [REDACTED] [REDACTED]

ADMINISTRATIVE LAW JUDGE: Linda Jordan

HEARING DECISION

Following Petitioner's request for hearing, this matter is before the undersigned Administrative Law Judge (ALJ) pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a hearing was held on December 11, 2024, via teleconference. Petitioner appeared unrepresented. Rose Ward, Assistance Payments Supervisor, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). At the hearing, MDHHS' proposed exhibits were admitted into evidence as MDHHS Exhibit A, pp. 1-938.

At the hearing, Petitioner indicated that he would like time to submit additional medical evidence. MDHHS had no objection to extending the record. The parties waived any violation of statutory or policy time standards. On December 12, 2024, the undersigned ALJ issued Interim Order Extending the Record to provide the parties an additional 30 days to submit medical evidence. Additional medical evidence was due to the Michigan Office of Administrative Hearings and Rules (MOAHR) by January 10, 2025. MOAHR did not receive any additional documentation prior to the deadline. The matter is now before the undersigned ALJ for a final determination based on the evidence presented.

ISSUE

Did MDHHS properly determine that Petitioner was not disabled for purposes of State Disability Assistance (SDA)?

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 an ongoing recipient of SDA as a disabled individual.

2. On October 13, 2022, the Medical Review Team (MRT)/Disability Determination Service (DDS) found Petitioner disabled for purposes of SDA because he was not capable of performing other work (Exhibit A, p. 27). Petitioner alleged disabling impairments, including hand problems (difficult to move fingers), chest pain, hernia, COPD, left knee problems, problems with the left side of the body and blindness in his left eye (Exhibit A, p. 30). DDS noted prior documentation of Petitioner's unalleged mental health impairments, including depression, anxiety, possible schizophrenia and delusional disorder (Exhibit A, p. 30). DDS considered listings 12.03 schizophrenia spectrum disorders, and 12.04 depressive, bipolar and related disorders (Exhibit A, p. 536).
3. On March 11, 2023, Petitioner submitted Medical-Social Questionnaire to MDHHS (Exhibit A, p. 49). Petitioner alleged that his condition was "nothing but worse," and stated that he had problems with his left side, with his vision, had chest pains, a hernia and problems with his hands (Exhibit A, p. 49).
4. On October 13, 2023, Petitioner was subject to a redetermination for SDA.
5. On July 2, 2024, DDS found Petitioner not disabled for purposes of SDA because his physical or mental impairments did not prevent employment for 90 days or more and he was capable of performing other work (Exhibit A, p. 55).
6. On July 8, 2024, MDHHS sent Petitioner a Notice of Case Action stating that Petitioner's SDA case was closed, effective August 1, 2024 ongoing, because he was not disabled (Exhibit A, p. 11).
7. On August 1, 2024, Petitioner requested a hearing to dispute MDHHS' determination regarding his disability status (Exhibit A, p. 4).
8. The medical records reflect the following, in relevant part:
 - a. On May 18, 2024, AAA Examiners of Michigan examined Petitioner and noted that Petitioner experiences difficulties due to chronic pain and lack of medical care (Exhibit A, p. 184). The examiner noted that Petitioner may have pain during an 8-hour workday and may require some adjustments. There were no recommended limitations regarding sitting, walking, lifting, or carrying. There were postural limitations noted regarding bending, stooping, crouching and/or crawling (Exhibit A, p. 185). The examiner noted a visual impairment in his left eye. Petitioner reported psychological complaints that were deferred for psychiatric assessment (Exhibit A, p. 185).
 - b. On November 4, 2020, AAA Examiners of Michigan examined Petitioner (Exhibit A, p. 795). The examiner noted that Petitioner had a decreased range of motion to affected joints, required an assistive device for balance, was short of breath, had decreased dexterity in his hands, and chronic

upper extremity pain, which would cause difficulty with activities of daily living (Exhibit A, p. 795).

- c. On October 23, 2020, Dr. [REDACTED] [REDACTED] at HRA Psychological Services examined Petitioner (Exhibit A, p. 497). Dr. [REDACTED] noted a vague stream of mental activity, possible hallucinations and delusions and a depressed emotional reaction. Dr. [REDACTED] diagnosed Petitioner with Persistent Depressive Disorder and Delusional Disorder (Exhibit A, p. 500). Dr. [REDACTED] noted a poor prognosis and indicated that Petitioner was not able to manage his funds (Exhibit A, p. 500).
 - d. In 2016, Petitioner was diagnosed with Major Depressive Disorder, Recurrent (Exhibit A, p. 266). The diagnosis was confirmed in March 2017 (Exhibit A, p. 269).
- 9. Petitioner has a GED and attended college for one year.
 - 10. Petitioner has no relevant work history. Petitioner stopped working in 2006.
 - 11. On the date of the hearing, Petitioner was [REDACTED] years old; [REDACTED] tall and weighed approximately [REDACTED] lbs.
 - 12. Petitioner alleged disabling impairments due to COPD, hernia, migraine, left and right hand problems, left knee problems, and left eye problems.
 - 13. 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), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM). The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. MDHHS administers SDA pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

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 lasting, or expected to last, at least 90 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).

Once an individual has been found disabled, continued entitlement to benefits based on a disability is periodically reviewed in accordance with the medical improvement review standard in order to make a current determination or decision as to whether disability remains. 20 CFR 416.993(a); 20 CFR 416.994(a). If the individual is not engaged in substantial gainful activity (SGA), the trier of fact must apply an eight-step sequential evaluation in evaluating whether an individual's disability continues. 20 CFR 416.994. The review may cease and benefits may be continued at any point if there is sufficient evidence to find that the individual is still unable to engage in SGA. 20 CFR 416.994(b)(5).

In this case, Petitioner was previously found disabled by DDS based on physical and mental impairments. Upon review, DDS determined that there was no medical evidence of a current mental impairment and that Petitioner's physical conditions alone did not prevent him from working (Exhibit A, p. 18). DDS determined that there had been an adult medical improvement, and that the medical improvement was related to Petitioner's ability to do work (Exhibit A, p. 19).

An eight-step evaluation is applied to determine whether an individual has a continuing disability:

Step One. If the individual has an impairment or combination of impairments which meets or equals the severity of an impairment listed in 20 CFR Appendix 1 of subpart P of part 404, the disability will be found to continue. 20 CFR 416.994(b)(5)(i).

Step Two. If a listing is not met or equaled, it must be determined whether there has been medical improvement as defined in paragraph (b)(1)(i) of 20 CFR 416.994 and shown by a decrease in medical severity. If there has been a decrease in medical severity, Step Three is considered. If there has been no decrease in medical severity, there has been no medical improvement unless an exception in Step Four applies. 20 CFR 416.994(b)(5)(ii).

Step Three. If there has been medical improvement, it must be determined whether this improvement is related to the individual's ability to do work in accordance with 20 CFR 416.994(b)(1)(i) through (b)(1)(iv); i.e., there was an increase in the individual's residual functional capacity (RFC) based on the impairment(s) that was present at the time of the most recent favorable medical determination. If medical improvement is not related to the individual's ability to do work, the analysis proceeds to Step Four. If medical improvement is related to the individual's ability to do work, the analysis proceeds to Step Five. 20 CFR 416.994(b)(5)(iii).

Step Four. If it was found at Step Two that there was no medical improvement or at Step Three that the medical improvement is not related to the individual's ability to work, the exceptions in 20 CFR 416.994(b)(3) and (b)(4) are considered. If none of them apply, the disability will be found to continue. If an exception from the first group of exceptions to medical improvement applies, the analysis proceeds to Step Five. If an exception from the second group of exceptions to medical improvement applies, the disability is found to have ended. The second group of exceptions to medical improvement may be considered at any point in this process. 20 CFR 416.994(b)(5)(iv).

Step Five. If medical improvement is shown to be related to an individual's ability to do work or if one of the first group of exceptions to medical improvement applies, all the individual's current impairments in combination are considered to determine whether they are severe in light of 20 CFR 416.921. This determination considers all the individual's current impairments and the impact of the combination of these impairments on the individual's ability to function. If the RFC assessment in Step Three shows significant limitation of the individual's ability to do basic work activities, the analysis proceeds to Step Six. When the evidence shows that all the individual's current impairments in combination do not significantly limit the individual's physical or mental abilities to do basic work activities, these impairments will not be considered severe in nature and the individual will no longer be considered to be disabled. 20 CFR 416.994(b)(5)(v).

Step Six. If the individual's impairment(s) is severe, the individual's current ability to do substantial gainful activity is assessed in accordance with 20 CFR 416.960; i.e., the individual's RFC based on all current impairments is assessed to determine whether the individual can still do work done in the past. If so, disability will be found to have ended. 20 CFR 416.994(b)(5)(vi).

Step Seven. If the individual is not able to do work done in the past, the individual's ability to do other work given the RFC assessment made under Step Six and the individual's age, education, and past work experience is assessed (unless an exception in 20 CFR 416.994(b)(5)(viii) applies). If the individual can, the disability has ended. If the individual cannot, the disability continues. 20 CFR 416.994(b)(5)(vii).

Step Eight. Step Eight may apply if the evidence in the individual's file is insufficient to make a finding under Step Six about whether the individual can perform past relevant work. If the individual can adjust to other work based solely on age, education, and RFC, the individual is no longer disabled, and no finding about the individual's capacity to do past relevant work under Step Six is required. If the individual may be unable to adjust

to other work or if 20 CFR 416.962 may apply, the individual's claim is assessed under Step Six to determine whether the individual can perform past relevant work. 20 CFR 416.994(b)(5)(viii).

Step One

The first step in determining whether an individual's disability has ended requires the trier of fact to consider the severity of the impairment(s) and whether it meets or equals a listed impairment in Appendix 1 of subpart P of part 404 of Chapter 20. 20 CFR 416.994(b)(5)(i). If a listing is met, an individual's disability is found to continue with no further analysis required.

Based on the medical evidence presented in this case, listing 1.18 abnormality of major joint(s) in any extremity was considered. 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.

DDS did not consider any listings related to Petitioner's formerly alleged mental impairments. Given that the most recent mental health evaluation in the record was conducted in 2020, MDHHS did not err in determining that the existence of a current mental impairment was not supported by medical evidence. Therefore, the analysis continues to Step Two.

Step Two

If the impairment(s) does not meet or equal a Listing under Step One, then Step Two requires a determination of whether there has been medical improvement as defined in 20 CFR 416.994(b)(1). 20 CFR 416.994(b)(5)(ii). Medical improvement is defined as any decrease in the medical severity of the impairment(s) which was present at the time of the most favorable medical decision that the individual was disabled or continues to be disabled. 20 CFR 416.994(b)(1)(i). For purposes of determining whether medical improvement has occurred, the current medical severity of the impairment(s) present at the time of the most recent favorable medical decision that found the individual disabled, or continued to be disabled, is compared to the medical severity of that impairment(s) at the time of the favorable decision. 20 CFR 416.994(b)(1)(vii). If there is medical improvement, the analysis proceeds to Step Three, and if there is no medical improvement, the analysis proceeds to Step Four. 20 CFR 416.994(b)(5)(ii).

In the present case, DDS previously found Petitioner disabled for purposes of SDA because he was not capable of performing other work based on physical and mental impairments (Exhibit A, p. 27). In finding Petitioner not disabled at redetermination, DDS did not consider Petitioner's previously alleged mental impairments and noted that Petitioner's physical condition had improved.

At the hearing, Petitioner testified that he believed that he was bipolar and had obsessive compulsive disorder (OCD). He testified that he suffered from anxiety attacks, had trouble concentrating and multitasking. He testified that he had no official mental health diagnosis and vocalized a generalized distrust of doctors and modern

medicine. Petitioner testified that he was not being treated by a mental health professional and was not taking medication related to his mental health because he had bad reactions to the medications in the past. Additionally, Petitioner testified that he could not seek treatment due to transportation issue. Petitioner noted that he lived alone in a cabin in the woods without running water and had no car, because he could not afford one.

The undersigned ALJ noticed that Petitioner struggled to convey his thoughts and remember dates and events during the hearing, and that he was frequently distracted by nonsensical tangents. The undersigned does not doubt the validity of Petitioner's prior diagnoses of depressive disorder and delusional disorder. However, these diagnoses were made in 2020, over four years before the hearing in this matter. There was no evidence of a more recent psychological evaluation or of any mental health treatment. It is likely that Petitioner's mental health condition remains and affects Petitioner's ability to seek treatment. However, Petitioner did not allege mental impairments during the most recent redetermination, nor did he present any medical evidence to substantiate the impairments that he was diagnosed with in the past. The undersigned ALJ cannot find that his current mental impairments are substantiated by the record, given the lack of medical evidence. At the hearing, Petitioner was referred to local legal aid services for assistance, which he declined.

Regarding Petitioner's physical impairments, DDS considered blindness in left eye, numbness and tingling in extremities, lung issues-COPD, hernia and migraines (Exhibit A, p. 21). In Petitioner's most recent physical examination, the examiner concluded that Petitioner had no vision in his left eye, that his dexterity and sensation were intact and that he could complete an eight-hour workday with pain that could be managed. Petitioner disputed this analysis at the hearing and testified that he was unable to grip objects due to dexterity problems, that his knees frequently give out, that he is weak and experiences pain in any position. However, no medical evidence was presented to support Petitioner's claims or to rebut the analysis of the medical examiner.

Thus, the record shows DDS did not err in finding that there had been a medical improvement, based on the medical evidence in the record. The analysis continues to Step Three.

Step Three

If there has been medical improvement, it must be determined whether this improvement is related to the individual's ability to do work in accordance with 20 CFR 416.994(b)(1)(i) through (b)(1)(iv); i.e., there was an increase in the individual's residual functional capacity (RFC) based on the impairment(s) that was present at the time of the most recent favorable medical determination. If medical improvement is not related to the individual's ability to do work, the analysis proceeds to Step Four. If medical improvement is related to the individual's ability to do work, the analysis proceeds to Step Five. 20 CFR 416.994(b)(5)(iii).

DDS previously found Petitioner disabled due to a combination of impairments that would prevent Petitioner for working a normal workday (Exhibit A, p. 36). This conclusion was based on Petitioner's mental RFC. At redetermination, DDS made no finding regarding Petitioner's mental RFC, because it determined that there was no medical evidence to support the finding that there were current mental medically determinable impairments. As discussed above, MDHHS did not err in this determination because there were no recent medical records related to Petitioner's mental health in the record. Regarding physical RFC, DDS concluded at redetermination that Petitioner had exertional limitations that caused him to be limited to medium work (Exhibit A, p. 22). Given the change in Petitioner's RFC, DDS properly concluded that there had been an improvement in Petitioner's medical condition that related to his ability to do work. The analysis continues to Step Five.

Step Five

If medical improvement is shown to be related to an individual's ability to do work or if one of the first group of exceptions to medical improvement applies, all the individual's current impairments in combination are considered to determine whether they are severe in light of 20 CFR 416.921. This determination considers all the individual's current impairments and the impact of the combination of these impairments on the individual's ability to function. If the RFC assessment in Step Three shows significant limitation of the individual's ability to do basic work activities, the analysis proceeds to Step Six. When the evidence shows that all the individual's current impairments in combination do not significantly limit the individual's physical or mental abilities to do basic work activities, these impairments will not be considered severe in nature and the individual will no longer be considered to be disabled. 20 CFR 416.994(b)(5)(v).

In this case, DDS concluded that Petitioner had medically determinable impairments, including a cataract and disorder of the muscle, ligament and fascia, and that these impairments were severe (Exhibit A, p. 19). DDS determined that Petitioner's impairments limited his ability to function and that he had exertional, postural and visual limitations. The most recent medical evidence concluded that Petitioner had postural limitations and noted limitations regarding bending, stooping, crouching and/or crawling (Exhibit A, p. 185). The examiner also noted a visual impairment in Petitioner's left eye. Based on this analysis DDS concluded that Petitioner could engage in medium work.

At the hearing, Petitioner testified that he experienced substantial limitations due to his conditions, which prevented him from working. The evidence presented demonstrates that Petitioner's medically determinable impairments were severe, and the analysis continues to Step Six.

Step Six

If the individual's impairment(s) is severe, the individual's current ability to do substantial gainful activity is assessed in accordance with 20 CFR 416.960; i.e., the individual's RFC based on all current impairments is assessed to determine whether the individual can still do work done in the past. If so, disability will be found to have ended. 20 CFR 416.994(b)(5)(vi).

Here, Petitioner had no relevant work history. Therefore, the analysis continues to Step Seven.

Step Seven

If the individual is not able to do work done in the past, the individual's ability to do other work given the RFC assessment made under Step Six and the individual's age, education, and past work experience is assessed (unless an exception in 20 CFR 416.994(b)(5)(viii) applies). If the individual can, the disability has ended. If the individual cannot, the disability continues. 20 CFR 416.994(b)(5)(vii).

Here, DDS determined that Petitioner had the RFC to engage in medium work. Petitioner disputed DDS' determination and testified that his physical impairments were much more severe than what was documented. However, there was no medical evidence submitted to substantiate Petitioner's claims or to refute DDS' findings. Therefore, the undersigned finds that DDS did not err in finding Petitioner capable of performing medium work. At the time of the hearing, Petitioner was considered advanced age (55-59), his education was high school or more, and he was limited to unskilled work (Exhibit A, p. 22). Under R 203.14, DDS determined that Petitioner was not disabled for the purpose of SDA.

Due to the lack of medical evidence in this case, the undersigned finds that MDHHS did not err in its determination that Petitioner was not disabled for the purposes of SDA. Based on the complete record, the undersigned ALJ finds that MDHHS properly terminated Petitioner's SDA benefits because there was insufficient medical evidence to conclude that Petitioner's disability continued. Petitioner is advised that he can reapply for SDA at any time and that medical evidence is necessary to substantiate his disability claims, pursuant to state and federal laws and regulations.

DECISION AND ORDER

Accordingly, MDHHS' decision is **AFFIRMED**.



LJ/nr

Linda Jordan
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

Via-Electronic Mail :

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