UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

DARLENE A. HILLS,	)	
	)	
Plaintiff,	)	
	)	No. 1:15-cv-393
-v-	)	
	)	HONORABLE PAUL L. MALONEY
METROPOLITAN LIFE INSURANCE COMPANY,	)	
	)	
	)	
Defendant.	)	
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OPINION AND ORDER REVERSING THE DECISION OF THE PLAN ADMINISTRATOR

What is the difference between Schizophrenia and Schizoaffective Disorder? The difference between the two diagnoses is the only dispute between the parties. In its final determination denying benefits, Defendant MetLife concedes that Plaintiff Darlene Hills is prevented from performing her occupation because of her psychiatric functional limitations, which are supported by Hills's medical records. For mental or nervous disorders or diseases, the benefits plan provides long-term disability benefits for two years. The two-year cap is subject to three exceptions: (1) Schizophrenia, (2) Dementia, and (3) organic brain disease. Because Hills was diagnosed with Schizoaffective Disorder, and not Schizophrenia, MetLife concluded that Hills's long-term disability benefits ended after two years. Because Schizoaffective Disorder requires the combination of the symptoms of Schizophrenia and a mood disorder, and because MetLife did not consider whether Hills's symptoms qualify her

for the exclusion, the Court finds this decision was arbitrary and capricious and reverses the plan administrator's denial of benefits.

I.

Plaintiff Darlene Hills brings this action for a review of the plan administrator's denial of disability benefits under a benefits plan governed by the Employee Retirement Income Security Act (ERISA). Both parties agree that the Court reviews the decision of the plan administrator under the arbitrary and capricious standard. (ECF No. 21 Pl. Br. at 18–19 PageID.1287–88; ECF No. 22 Def. Br. at 16 PageID.1313).

II.

Hills was covered by the long-term disability income insurance policy issued by her employer, Verizon Wireless, and administered by MetLife. In 2011, Hills submitted a claim for short-term disability benefits, which was granted. On August 9, 2011, Hills's board-certified psychiatrist, Dr. Sam Ajluni, submitted an Initial Functional Assessment form indicating a diagnosis of bipolar disorder. On September 15, 2011, Dr. Ajluin submitted a Medical Progress Note indicating a diagnosis of Schizoaffective Disorder. All notes, forms and statements received by MetLife from Dr. Ajluni from September 2011 through at least February 2014 contained the same diagnosis, Schizoaffective Disorder.

Hills was approved for both short-term and long-term disability benefits. Hills received short-term benefits at least from January 2012 through May 2014. In June 2012, Hills submitted her application for long-term disability benefits based on her diagnosis of schizoaffective disorder. (ECF No. 5 Ans. to Compl. ¶ 7 PageID.21.) Hills was approved

for and received long-term disability benefits from May 28, 2012, through May 27, 2014. (*Id.* ¶ 8 PageID.21–22.)

Under the benefits plan, long-term benefits for mental or nervous disorders are limited to two years, except for schizophrenia, dementia, and organic brain disease. (ECF No. 22-2 PageID.1356.) In a letter dated May 27, 2014, MetLife terminated Hills's long-term disability benefits, effective May 28. (ECF No. 22-7 PageID.1452–54.) MetLife noted that Hills's "disability is due to Major Depression and later changed to Schizoaffective Disorder which is a condition that is limited under the plan described above." (*Id.* PageID.1453.) Because Hills had received long-term disability benefits for two years, "[n]o additional benefits will be payable after May 27, 2014, and your disability claim will be paid in full, in accordance with the terms of your employer's disability plan." (*Id.*)

Hills hired an attorney and timely filed an appeal. As part of the appeal, Hills submitted a letter from Dr. Ajluni, in which he explained the relationship between schizophrenia and schizoaffective disorder.

> It is imperative to recognize that according to the Diagnostics and Statistical Manual (DSM-IV), anyone who is diagnosed with Schizoaffective Disorder, as Darlene Hills is, has, by definition in criteria 1, been already diagnosed with Schizophrenia, and that Schizoaffective Disorder is essentially Schizophrenia plus the addition of either Bipolar Disorder or Major Depressive Disorder-Recurrent. So, though Ms. Hills does not specifically have the diagnosis of Schizophrenia listed in her medical record, her diagnosis of Schizoaffective Disorder implies that she has already been diagnosed with Schizophrenia, but a mood disorder is also included with that.

(ECF No. 18-3 PageID.710.)

After receiving Hills's appeal and the letter from Dr. Ajluni, MetLife sent Hills's file to Dr. Marcus Goldman, a board-certified psychiatrist, for review. Based on Dr. Goldman's

report (ECF No. 22-9 PageID.1458–63), MetLife sent a list of questions to Dr. Ajluni, seeking clarification of Hills's record and diagnosis. (ECF No. 22-10 PageID.1465–66.) Dr. Ajluni addressed MetLife's questions (ECF No. 22-11 PageID.1468–69), and MetLife sent the response to Dr. Goldman.

Dr. Goldman then issued an addendum to his first report. (ECF No. 22-12 PageID.1471–74.) Dr. Goldman concluded Hills's medical information did not support a functional limitation due to Schizophrenia, Dementia, or organic brain disease. (ECF No. 22-12 PageID.1472.) Dr. Goldman succinctly explained that Hills "carries a diagnosis schizoaffective disorder as is detailed in this record. Technically, any limitations or impairments cannot be attributable to schizophrenia, dementia or organic brain disease." (*Id.*) Nevertheless, Dr. Goldman agreed that there was clinical data to support the Schizoaffective Disorder diagnosis (*id.* PageID.1473) and, it was his opinion that Hills "would very likely have significant difficulty performing job-related tasks, multitasking, problem solving, and having sufficient rational thought to maintain sustained, gainful employment." (*Id.*) Finally, Dr. Goldman was asked whether there was medical evidence to support a diagnosis of schizophrenia, dementia, or organic brain disease, "according to the DSM?" (*Id.* PageID.1474.) Dr. Goldman responded that "[t]echnically, a diagnosis of schizophrenia is not supported because of this claimant's historical purported predominant and prominent mood symptoms, followed by episodes of psychosis without prominent mood symptoms."[1] (*Id.*)

[1] In MetLife's brief (ECF No. 22 at 12 PageID.1309) and again in its response (ECF No. 25 at 6 PageID.1532), it states that Dr. Goldman found that Hills suffers "only from Schizoaffective Disorder and not from Schizophrenia." MetLife's summary of Dr. Goldman's conclusion is

MetLife then issued its final determination, upholding the denial of Hills's long-term disability benefits. (ECF No. 22-13 PageID.1476–82.) In this letter, MetLife conceded Hills's "psychiatric functional limitations are supported and would prevent[ ] [her] from performing her occupation beyond May 27, 2014." (*Id.* PageID.1481.) However, because Hills has not received a diagnosis for a mental disorder that would extend benefits beyond two years, her claim must be denied. (*Id.*) MetLife acknowledged that "Schizoaffective Disorder does include symptoms of Schizophrenia." (*Id.*) But, "Schizoaffective disorder is a separate diagnosis with its own diagnostic criteria" because it "requires the presence of a mood disorder." (*Id.*)

III.

The evidence in this record establishes that MetLife's final decision was arbitrary and capricious.[2] Dr. Goldman's conclusions, which MetLife used to deny benefits, are accurate, but misleading. Dr. Goldman did not answer the question of whether there was medical evidence to support a diagnosis of Schizophrenia. Both Dr. Ajluni and Dr. Goldman agree that Hills displays the symptoms of Schizophrenia. Both doctors agree that Darlene Hills has been diagnosed with Schizoaffective Disorder, which is supported by her medical records. Both doctors agree that to be diagnosed with Schizoaffective Disorder, an individual must have symptoms of Schizophrenia and a recurrent mood disorder. Both doctors agree that Hills's psychiatric condition limits her functional capacity. Dr. Ajluni's letter explains

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inaccurate. As will be explained below, Dr. Goldman's conclusion necessarily relies on the prefatory word, "technically." Dr. Goldman's conclusion does not exclude the possibility that Hills suffers from symptoms which would constitute Schizophrenia.

[2] For this review, the Court has considered only the evidence submitted to the plan administrator prior to its final decision. The Court has not considered the letter authored by Dr. Gerald Shiener.

that when a patient is diagnosed with Schizoaffective Disorder, the patient must necessarily display the diagnostic symptoms of Schizophrenia. Dr. Goldman made the same statement, albeit worded differently. Both doctors explained that Hills's does not have a diagnosis of Schizophrenia in her records because she also has a mood disorder. The presence of the mood disorder makes Hills's condition, in Dr. Ajluni's terms, "Schizophrenia plus." The presence of the mood disorder also explains why Dr. Goldman, twice in his addendum, uses the word "technically" before stating that Hills is not disabled due to Schizophrenia.

Under the terms of the plan, Hills would be entitled to long-term disability benefits beyond two years if she was disabled due to Schizophrenia. The language of plan required the plan administrator to consider whether Hills's symptoms met the diagnostic criteria for Schizophrenia. The plan provides that mental disorders "means a medical condition which meets the diagnostic criteria set forth in the most recent edition of the Diagnostic And Statistical Manual of Mental Disorders as of the date of Your Disability." (ECF No. 22-2 PageID.1356.) The plan language does not preclude "Schizophrenia plus" situations from qualifying for the exclusion. The medical evidence in her record may support the conclusion that Hills is schizophrenic. But, she also has a mood disorder, which is why she has not received the diagnosis of Schizophrenia. The presence of the recurrent mood disorder means that Hills's proper medical diagnosis is Schizoaffective Disorder. The presence of the mood disorder does not mean that Hills could not also meet the diagnostic criteria for Schizophrenia, even if that would not be the proper diagnosis.

The conclusion that Hills likely meets the diagnostic criteria for Schizophrenia finds support in the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV), the source

explicitly referenced by Dr. Ajluni and in the question posed to Dr. Goldman by MetLife. The DSM-IV notes that Schizophrenia, Schizoaffective Disorder, and Mood Disorder with Psychotic Features are difficult to distinguish. American Psychological Association Diagnostic and Statistical Manual of Mental Disorders 310 (4th ed. 2000) (DSM-IV). The DSM-IV defines both Schizophrenia and Schizoaffective Disorder.

> Schizophrenia is a disorder that lasts for at least 6 months and includes at least 1 month of active-phase symptoms (i.e., two [or more] of the following: delusions, hallucinations, disorganized speech, grossly disorganized or catatonic behavior, negative symptoms).

Id. at 298 (4th ed. 2000).

> Schizoaffective Disorder is a disorder in which a mood episode and the active-phase symptoms of Schizophrenia occur together and were preceded or are followed by at least 2 weeks of delusions or hallucinations without prominent mood symptoms.

Id. When psychotic symptoms occur exclusively during periods of mood disturbance, the diagnosis is Mood Disorder with Psychotic Features. *Id.* at 310. In the Differential Diagnosis subsection for Schizophrenia, the DSM-IV identifies two critical features distinguishing Schizophrenia from Schizoaffective Disorder: the presence of a mood episode at the same time as symptoms of Schizophrenia and the duration of the mood episode.

> In Schizoaffective Disorder, there must be a mood episode that is concurrent with the active-phase symptoms of Schizophrenia, mood symptoms must be present for a substantial portion of the total duration of the disturbance, and delusions or hallucinations must be present for at least 2 weeks in the absence of prominent mood symptoms. In contrast, the mood symptoms in Schizophrenia either have a duration that is brief in relation to the total duration of the disturbance, occur only during the prodromal or residual phases, or do not meet full criteria for a mood episode.

Id. at 310. In the Differential Diagnosis subsection for Schizoaffective Disorder, the DSM-IV repeats the exact same passage. *Id.* at 322. Finally, the DSM-IV notes that when the mood disorder symptoms dissipate, a diagnosis of Schizoaffective Disorder may change to a diagnosis of Schizophrenia.

> Because the relative proportion of mood to psychotic symptoms may change over the course of the disturbance, the appropriate diagnosis for an individual episode of illness may change from Schizoaffective Disorder to Schizophrenia (e.g., a diagnosis of Schizoaffective Disorder for a severe and prominent Major Depressive Episode lasting 3 months during the first 6 months of a chronic psychotic illness would be changed to Schizophrenia if active psychotic or prominent residual symptoms persist over several years without a recurrence of another mood episode).

Id. at 322.

To further reinforce the conclusion that Hills is schizophrenic, the Court has considered the first three diagnostic criteria for Schizophrenia found in the DSM-IV.[3] To

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[3] The Court considers only first three criteria. The other four criteria appear to be exclusions, rather than inclusions, and may or may not be relevant.

A. *Characteristic symptoms:* Two (or more) of the following, each present for a significant portion of the time during a 1-month period (or less if successfully treated):

(1) delusions
(2) hallucinations
(3) disorganized speech (e.g., frequent derailment or incoherence)
(4) grossly disorganized or catatonic behavior
(5) negative symptoms, i.e., affective flattening, alogia, or avolition

Note: Only one Criterion A symptom is required if delusions are bizarre or hallucinations consist of a voice keeping up a running commentary on the person's behavior or thoughts, or two or more voices conversing with each other.

B. *Social/occupational dysfunction:* For a significant portion of the time since the onset of the disturbance, one or more major areas of functioning such as work, interpersonal relations, or self-care are markedly below the level achieved prior to the onset (or when the onset is in childhood or adolescence, failure to achieve expected level of interpersonal, academic, or occupational achievement).

C. *Duration:* Continuous signs of the disturbance persists for at least 6 months. This 6-month period must include at least 1 month of symptoms (or less if successfully treated) that meet Criterion A (i.e., active-phase symptoms) and may include periods of prodromal or residual symptoms. During these prodromal or residual periods, the signs of the disturbance may be manifested by only

be clear, the Court considers the diagnostic criteria and the evidence in the record for the purpose of determining whether the plan administrator's final decision was arbitrary and capricious. The Court is not making a medical determination. Hills meets the first criterion, she displays the characteristic symptoms. Specifically, Hills hears voices, auditory hallucinations. And, because Hills has been diagnosed with Schizoaffective Disorder, a diagnosis with which both doctors agree, Hills necessarily meets the first criterion for Schizophrenia. The first criterion for Schizoaffective Disorder is the presence of a mood disorder concurrent with symptoms that meet the first criteria for Schizophrenia. DSM-IV at 323. Hills meets the second criterion for Schizophrenia. Both doctors and MetLife agree that Hills's psychiatric condition prevents her from working. Finally, Hills meets the third criterion for Schizophrenia. Her schizophrenic symptoms have manifested for more than six months and have included active-phase symptoms for more than one month. Again, Hills's medical records establishes that she has been hearing voices for some time.

MetLife has not considered whether Hills's symptoms meet the diagnostic criteria for Schizophrenia. The manner in which Dr. Goldman worded the conclusions in his addendum, and the manner in which MetLife worded its final denial, were artful. Both avoided directly addressing whether Hills's symptoms met the diagnostic criteria for Schizophrenia. The diagnosis of Schizoaffective Disorder does not require the conclusion that Hills cannot be schizophrenic. And, if her symptoms meet the diagnostic criteria for

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negative symptoms or two or more symptoms listed in Criterion A present in an attenuated form (e.g., odd beliefs, unusual perceptual experiences).
DSM-IV at 312.

Schizophrenia, then she would qualify for the exclusion, even of a Schizophrenia plus diagnosis would be medically proper.

The Court notes that MetLife made this same distinction in another disability benefits case involving the same policy language, and the court reached the same conclusion, although for slightly different reasons. *See Duncan v. Metro. Life Ins. Co.*, No. 2:15-cv-626, 2016 WL 6651317 (D. Utah, Nov. 10, 2016). Duncan, also an employee of Verizon, was diagnosed with Schizoaffective Disorder. *Id.* at *2. MetLife terminated benefits after two years "solely in its interpretation that the schizophrenia exclusion does not include schizoaffective disorder." *Id.* In its letter denying the appeal, MetLife explained that the "'disabling diagnosis was schizoaffective disorder, which would not support a diagnosis of schizophrenia,' and that 'schizoaffective disorder [is] a separate diagnosis from schizophrenia with its own diagnostic criteria.'" *Id.* at *5 (alteration in original).

In *Duncan*, the court provided several reasons for its conclusion that the plan administrator's decision was wrong, only three of which will be briefly discuss here. First, the court concluded that the word "schizophrenia" in the plan language was ambiguous.[4] In that case, Duncan submitted evidence from medical sources and from judicial opinions showing that the term is used to reference both a specific disorder as well as a spectrum of disorders, including Schizoaffective Disorder. *Id.* at *6. Second, the court examined the

[4] MetLife argues that the plan in *Duncan* was different, explaining that this plan defines the mental or nervous disorder by referencing the diagnostic criteria in the DSM. The Court has checked the administrative record in the *Duncan* case. The same DSM criteria reference appeared in the plan in that case.

DSM-V and concluded, as this Court did, that a proper diagnosis of Schizoaffective Disorder does not preclude the presence of Schizophrenia.

> While the features and symptoms of the two disorders may co-exist, the diagnoses never do. The DSM makes clear that when all criteria of both disorders are present, only a diagnosis of schizoaffective disorder should be given. As a result, MetLife's reliance on the name of the diagnosis and the diagnostic criteria in the abstract---without attempting to determine whether an individual could actually satisfy the diagnostic criteria for schizophrenia---is an arbitrary and capricious way of defining the scope of the exclusion.

Id. at *7. Third, the court noted that most of the plan exclusions, including schizophrenia and dementia, used "umbrella terms that compassed many diagnoses." *Id.* at *7. The court reasoned, because the plan's exclusions used broad terms which focused on features or criteria, rather than specific diagnoses, a decision that did not consider whether the beneficiary satisfied the criteria for an exclusion would be arbitrary and capricious.

IV.

MetLife's denial of benefits for Darlene Hills was arbitrary and capricious. This Court reaches a legal conclusion only, and has not determined whether Hills's symptoms actually satisfy the diagnostic criteria for Schizophrenia. Accordingly, remand to Plan Administrator for further consideration is appropriate.

For these reasons, Defendant's motion to affirm the administrative decision (ECF No. 22) is **DENIED. IT IS SO ORDERED.**

Date: July 28, 2017

/s/ Paul L. Maloney
Paul L. Maloney
United States District Judge