

1 mental impairment based on that opinion.³ (*See* Joint Stipulation ("Joint Stip.") at 52 11.) The Court agrees with Plaintiff for the reasons discussed below.

As a rule, if an ALJ wishes to disregard the opinion of a treating or examining
physician, "he or she must make findings setting forth specific, legitimate reasons for
doing so that are based on substantial evidence in the record." *Murray v. Heckler*, 722
F.2d 499, 502 (9th Cir. 1983); *accord Carmickle v. Comm'r, Soc. Sec. Admin.*, 533
F.3d 1155, 1164 (9th Cir. 2008).

8 Here, the ALJ improperly declined to credit Dr. Hazany's opinion⁴ for two
9 reasons.

10 First, the ALJ improperly rejected the opinion because there was no 11 corroborating objective medical evidence, including supporting treatment notes. (AR 12 at 18, 413-16); see Embrey v. Bowen, 849 F.2d 418, 421-22 (9th Cir. 1988) ("To say that medical opinions are not supported by sufficient objective findings or are contrary 13 14 to the preponderant conclusions mandated by the objective findings does not achieve 15 the level of specificity our prior cases have required, even when the objective factors are listed seriatim."); Vaughn v. Comm'r Soc. Sec. Admin., 2012 WL 28561, *5 (D. Or. 16 17 Jan. 4, 2012) ("[T]he general reference to inconsistency with the medical evidence of record is not a specific reason [to reject a treating physician's opinion]. It is simply too 18 vague to allow meaningful review."). In particular, (1) the psychiatrist noted Plaintiff 19 was treated with a "vagal nerve stimulator"⁵; (2) the psychiatrist noted that Plaintiff 20

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³ The threshold inquiry at step two is whether a claimant is suffering from a severe impairment. 20 C.F.R. § 404.1520(a)(4)(ii). The step two inquiry is defined as "'a *de minimis* screening device to dispose of groundless claims." *Edlund v. Massanari*, 253 F.3d 1152, 1158 (9th Cir. 2001, as amended) (quoting *Smolen v. Chater*, 80 F.3d 1273, 1290 (9th Cir. 1996)).

 ⁴ Dr. Hazany diagnosed Plaintiff with "major depression" with a guarded prognosis. (AR at
 13.) He opined that overall she was markedly limited in her functioning, and that she had at least 10 specific marked mental-health limitations and numerous moderate limitations. (AR at 413-16.)

 ¹ "Vagus nerve stimulation is a procedure that involves implantation of a device that stimulates
 the vagus nerve with electrical impulses. . . . Vagus nerve stimulation is most often used to treat

had significant symptoms despite high levels of antidepressants; and (3) treatment
 notes supported this treatment. (AR at 387, 405-06, 408, 413, 416, 418-20, 422, 424, 427.)

Second, the ALJ's conclusion that it "appeared" that the treating psychiatrist
relied heavily on the subjective complaints of Plaintiff — without citation to evidence
of this in the psychiatrist's opinion or treatment notes — is not sufficiently specific for
appellate review. (AR at 18); *Brown-Hunter v. Colvin*, 806 F.3d 487, 492 (9th Cir.
2015) (federal courts "demand that the agency set forth the reasoning behind its
decisions in a way that allows for meaningful review").

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Thus, the ALJ improperly assessed the treating psychiatrist's opinion.

11 B. <u>Remand is Warranted</u>

12 With error established, this Court has discretion to remand or reverse and award 13 benefits. McAllister v. Sullivan, 888 F.2d 599, 603 (9th Cir. 1989). Where no useful 14 purpose would be served by further proceedings, or where the record has been fully 15 developed, it is appropriate to direct an immediate award of benefits. Benecke v. Barnhart, 379 F.3d 587, 595-96 (9th Cir. 2004). But where outstanding issues must be 16 17 resolved before a determination can be made, or where the record does not make clear that proper evaluation of the evidence would require a disability finding, remand is 18 appropriate. Id. at 594. 19

Here, in light of the error, Plaintiff's treating psychiatrist's opinion must be
reassessed. Therefore, on remand, the ALJ shall evaluate the opinion and either credit
it as true, or provide valid reasons for any rejected portion. The Court shall also

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epilepsy when other treatments haven't worked. Vagus nerve stimulation is also a treatment for hardto-treat depression that hasn't responded to typical therapies." Mayo Clinic,

http://www.mayoclinic.org/tests-procedures/vagus-nerve-stimulation/home/ovc-20167755 (last visited Sept. 12, 2017); *Bast v. Sec'v of Health & Human Servs*, 2012 WL 6858040, at *17 (Fed. Cl.

26 Dec. 20, 2012); see also Morris v. Colvin, 2013 WL 1729007, at *7 (D. Kan. Apr. 22, 2013) (noting

medical expert testimony that treatment with a vagal nerve stimulator usually leads to an automatic determination that the claimant meets a disability listing); (AR at 86).

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reevaluate whether, in light of the *de minimus* threshold standard at step two, the
 treating psychiatrist's opinion, treatment notes, and remaining record establish that
 Plaintiff has a medically severe impairment or combination of impairments. *See Edlund*, 253 F.3d at 1158. If so, the ALJ shall continue the analysis of Plaintiff's
 claim through the remaining steps.

Finally, the Court is mindful that "the touchstone for an award of benefits is the
existence of a disability, not the agency's legal error." *Brown-Hunter*, 806 F.3d at 495.
Because it is unclear, on this record, whether Plaintiff is in fact disabled, remand here
is on an "open record." *Id.*; *Burrell v. Colvin*, 775 F.3d 1133, 1141-42 (9th Cir. 2014).
The parties may freely take up any issue raised in the Joint Stipulation, and any other
issues relevant to resolving Plaintiff's claim of disability, before the ALJ. Either party
may address those points in the remanded, open proceeding.

Based on the foregoing, IT IS ORDERED THAT judgment shall be entered **REVERSING** the decision of the Commissioner denying benefits and **REMANDING** the matter for further administrative action consistent with this decision.

DATED: September 12, 2017

United States Magistrate Judge

This Memorandum Opinion and Order is not intended for publication. Nor is it intended to be included or submitted to any online service such as Westlaw or Lexis.
