

**BEFORE THE  
DEPARTMENT OF DEVELOPMENTAL SERVICES  
STATE OF CALIFORNIA**

**In the Matter of:**

**CLAIMANT**

**v.**

**FAR NORTHERN REGIONAL CENTER**

**DDS No. CS0011446**

**OAH Case No. 2024010038**

**PROPOSED DECISION**

Wim van Rooyen, Administrative Law Judge, Office of Administrative Hearings, State of California, acting as a hearing officer, conducted a fair hearing on February 14, 2024, in Redding, California.

Larry Withers, Associate Director of Client Services, represented Far Northern Regional Center (FNRC).

Claimant represented himself.

Evidence was received, the record closed, and the matter submitted for decision on February 14, 2024.

## **ISSUE**

May Claimant use Self-Determination Program (SDP) funds to purchase pet insurance for his service dog?

## **FACTUAL FINDINGS**

### **Jurisdiction**

1. Claimant is a 30-year-old individual receiving Lanterman Act services coordinated through FNRC. He is currently enrolled in the SDP.
2. On December 20, 2023, FNRC issued a Notice of Action (NOA) denying Claimant's request to use SDP funds to purchase pet insurance for his service dog. Instead, FNRC proposed placing veterinary costs on the spending plan so that when veterinary services are rendered, invoices can be submitted directly to Claimant's Financial Management Service (FMS) for payment.
3. Claimant timely requested an informal meeting and fair hearing to appeal FNRC's decision. On December 29, 2023, the parties participated in an informal meeting, which failed to resolve the parties' dispute. Consequently, the matter was set for a fair hearing.

### **FNRC's Evidence**

4. Wayne Doering, Associate Director of Client Services for FNRC, testified at hearing. He has held his present position for five years and has worked for FNRC for 32 years.

5. Mr. Doering explained that, as an SDP participant, Claimant has an SDP budget that was determined based on Claimant's past purchases of services and any unmet needs. Claimant also has a spending plan for how to use the funds in his SDP budget. The spending plan can include items that are not available under the traditional services model. As required by the SDP, Claimant uses a vendored FMS to manage his budget and pay the bills for all his services.

6. Sometime in the early Fall of 2023, Claimant asked FNRC about the possibility of using SDP funds to purchase pet insurance for a service dog he intended to obtain. FNRC initially told Claimant that he could not use SDP funds to purchase pet insurance. Pet insurance is not an allowed purchase under the traditional services model. However, after discussing the matter further at a committee meeting, FNRC informed Claimant that it likely could be purchased with SDP funds. Claimant proceeded to make arrangements to obtain a service dog.

7. Subsequently, FNRC further investigated and discovered a problem with how pet insurance operates. The FMS would purchase pet insurance on Claimant's behalf from SDP funds, paying policy premiums directly to the insurance company. However, when Claimant obtains veterinary services for his service dog, Claimant would initially have to use his personal funds to pay the vet in full. Thereafter, the vet's bill and Claimant's payment documentation would be submitted to the insurance company, which would pay out any covered amount to the FMS. The FMS would then be required to reimburse Claimant. FNRC believed that this model is problematic because SDP funds typically cannot be paid to a consumer.

8. Additionally, on December 26, 2023, the Department of Developmental Services (DDS) issued a directive titled "Self-Determination Program: Billing Requirements for Services" (DDS Directive). The DDS Directive provides, in part:

Payments for SDP services shall be made directly to the SDP Provider by the FMS and shall not include reimbursement for goods purchased by an SDP Provider on behalf of the participant or payment for services not provided directly by the SDP Provider.

According to Mr. Doering, the DDS Directive confirmed FNRC's concerns about pet insurance because the DDS Directive provides that the FMS must make payments directly to the provider. It does not appear to contemplate reimbursement to the consumer.

9. FNRC agrees that SDP funds can be used to purchase veterinary services for Claimant's service dog. It also agrees that pet insurance is a "good idea" because it allows for a more cost-effective purchase of such veterinary services. However, because the operational model of pet insurance would require payment of SDP funds directly to the consumer, FNRC believes purchase of pet insurance would violate DDS policy. Thus, FNRC alternatively proposed placing veterinary costs on the spending plan so that when veterinary services are rendered, invoices can be submitted directly to the FMS for payment. FNRC concedes that this alternative would be less cost effective.

### **Claimant's Evidence**

10. Claimant testified at hearing. He is very frustrated by FNRC's "last-minute change" in position regarding pet insurance. Claimant obtained his service dog with the understanding that he would be able to use SDP funds to purchase pet insurance and cover veterinary expenses. Paying for veterinary expenses using pet insurance is more predictable and significantly more cost effective.

## LEGAL CONCLUSIONS

1. The Lanterman Act governs this case. (Welf. & Inst. Code, § 4500 et seq.) An administrative “fair hearing” to determine the rights and obligations of the parties, if any, is available under the Lanterman Act. (Welf. & Inst. Code §§ 4700–4716.)

2. The Lanterman Act sets forth the regional center’s responsibility for providing services and supports for eligible persons with developmental disabilities to enable them to “approximate the pattern of everyday living available to people without disabilities of the same age.” (Welf. & Inst. Code, § 4501.) An “array of services and supports should be established. . . to meet the needs and choices of each person with developmental disabilities. . . to support their integration into the mainstream life of the community. . . [and to] prevent dislocation of persons with developmental disabilities from their home communities.” (*Ibid.*) Additionally, “[i]t is the intent of the Legislature that agencies serving persons with developmental disabilities shall produce evidence that their services have resulted in consumer or family empowerment and in more independent, productive, and normal lives for the persons served.” (*Ibid.*)

3. The SDP is designed to give the participant greater control over which services and supports best meet their Individualized Program Plan needs, goals, and objectives. (Welf. & Inst. Code, § 4685.8, subd. (b)(2)(B).) One goal of the SDP is to allow participants to innovate to achieve their goals more effectively. (*Id.* at § 4685.8, subd. (b)(2)(G).)

4. The SDP requires a regional center, when developing the individual budget, to determine the services, supports, and goods necessary for each consumer based on the needs and preferences of the consumer, and when appropriate, the consumer’s family, the effectiveness of each option in meeting the goals specified in

the IPP, and the cost effectiveness of each option. (Welf. & Inst. Code, § 4685.8, subd. (b)(2)(H)(i).)

5. Here, Claimant asserts that he should be permitted to use SDP funds to purchase pet insurance for his service dog and that FNRC's denial of his request constitutes a violation of the Lanterman Act. Claimant bears the burden of proving such a violation by a preponderance of the evidence. (See Evid. Code, §§ 500 ["Except as otherwise provided by law, a party has the burden of proof as to each fact the existence or nonexistence of which is essential to the claim for relief or defense that he is asserting"] & 115 ["Except as otherwise provided by law, the burden of proof requires proof by a preponderance of the evidence."].) A preponderance of the evidence means "evidence that has more convincing force than that opposed to it." (*People ex rel. Brown v. Tri-Union Seafoods, LLC* (2009) 171 Cal.App.4th 1549, 1567.)

6. In this case, all parties agree that SDP funds can be used to purchase veterinary services for Claimant's service dog. Additionally, all parties agree that pet insurance allows for a more cost-effective purchase of such veterinary services. The only reason FNRC denied Claimant's request is its belief that the funding mechanism would violate DDS policy.

7. To be sure, the DDS Directive on its face generally provides that the FMS must make payments directly to the provider. That requirement is sensibly designed to ensure accountability and guard against misuse of funds. However, the DDS Directive ultimately constitutes general guidance for implementation of the Lanterman Act. It is not itself a statute or regulation and cannot contradict the letter or spirit of the Lanterman Act. Nor does the DDS Directive even purport to address every factual scenario or payment mechanism.

8. Here, pet insurance is the most innovative and cost-effective way of using SDP funds to secure veterinary services for Claimant's service dog. Moreover, there are sufficient guardrails to prevent misuse of funds. The FMS can pay insurance premiums directly to the insurance company. The FMS would only be required to reimburse Claimant for veterinary expenses actually incurred and paid by the insurance company as supported by appropriate documentation. Allowing such payments clearly effectuates the SDP's goals of self-determination, innovation, and cost effectiveness.

9. In sum, Claimant has demonstrated by a preponderance of the evidence that he should be allowed to use SDP funds to purchase pet insurance for his service dog. Thus, his appeal must be granted.

## **ORDER**

Claimant's appeal is GRANTED. FNRC and the FMS shall permit Claimant to use SDP funds to purchase pet insurance for his service dog. The FMS shall pay insurance premiums directly to the insurance company. The FMS shall also reimburse Claimant for veterinary expenses actually incurred and paid by the insurance company as supported by appropriate documentation.

DATE: February 16, 2024

WIM VAN ROOYEN  
Administrative Law Judge  
Office of Administrative Hearings

BEFORE THE  
DEPARTMENT OF DEVELOPMENTAL SERVICES  
STATE OF CALIFORNIA

In the Matter of:

Claimant

OAH Case No. 2024010038

Vs.

**DECISION BY THE DIRECTOR**

Far Northern Regional Center

Respondent.

ORDER OF DECISION

On February 16, 2024, an Administrative Law Judge (ALJ) at the Office of Administrative Hearings (OAH) issued a Proposed Decision in this matter.

Given the unique circumstances of the case, the Proposed Decision is expressly adopted by DDS as its Decision in this matter. The Order of Decision, together with the Proposed Decision, constitute the Decision in this matter.

This is the final administrative Decision. Each party is bound by this Decision. Either party may request a reconsideration pursuant to Welfare and Institutions Code section 4713, subdivision (b), within 15 days of receiving the Decision or appeal the Decision to a court of competent jurisdiction within 180 days of receiving the final Decision.

Attached is a fact sheet with information about what to do and expect after you receive this decision, and where to get help.

IT IS SO ORDERED on this day March 14, 2024.

*Original signed by:*

Nancy Bargmann, Director