

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

In the Matter of:

CLAIMANT,

and

NORTH LOS ANGELES COUNTY REGIONAL CENTER,

Service Agency.

DDS No. CS0031385

OAH No. 2025110439

PROPOSED DECISION

Sandy Yu, Administrative Law Judge (ALJ), Office of Administrative Hearings, State of California, heard this matter on January 7, 2026.

Roxana DeMoica, Independent Facilitator, represented Claimant, who was present during the hearing. Claimant's name is omitted to protect her privacy.

Paul Mejia, Due Process Officer, represented Service Agency.

The ALJ received testimony and documentary evidence. The record closed, and the matter was submitted for decision at the conclusion of the hearing.

ISSUE

Should Service Agency be required under the Lanterman Developmental Disabilities Services Act (Lanterman Act) to increase Claimant's Self-Determination Program (SDP) budget and issue retroactive payments for a Supported Living Services (SLS) staff's services between March 1, 2025 and August 31, 2025?

EVIDENCE RELIED UPON

In reaching this Proposed Decision, the ALJ relied upon Service Agency Exhibits 1 through 13, Claimant's Exhibits A through B, and testimony of the following witnesses: Karina Nilsson, SDP Specialist; Roberta Guillen, Service Agency's Consumer Services Coordinator; Raul Gonzalez, Service Agency's Consumer Services Supervisor; and Roxana DeMoica, Claimant's Independent Facilitator.

FACTUAL FINDINGS

Jurisdictional Matters

1. Claimant is a 41-year-old conserved female who is eligible for regional center services based on her diagnosis of mild intellectual disability.
2. On October 1, 2025, Claimant informed Service Agency that her Living Arrangement's SLS staff, Hannah-Betty DeMoica (Hannah-Betty), had not been paid for services rendered from March 1, 2025, through August 31, 2025.
3. On October 23, 2025, Service Agency issued Claimant a Notice of Action denying Claimant's request for retroactive payments related to Hannah-Betty's services

from March 1, 2025, through August 31, 2025. In the Notice of Action, Service Agency stated that Hannah-Betty's invoices "go back to March of 2025 and exceed the budget amount that was approved by [Service Agency]. [T]his means that proper IPP planning did not occur and the amount being billed exceeds [what] is in the current spending plan." (Exh. 1, p. A2.)

4. On October 31, 2025, Claimant filed an appeal requesting a fair hearing.

Background

5. Claimant is a participant in Service Agency's SDP. The SDP is a voluntary program under the Lanterman Act designed "to provide participants and their families, within an individual budget, increased flexibility and choice, and greater control over decisions, resources, and needed and desired services and supports" than the Lanterman Act's traditional model for delivery of services and supports through regional center vendors. (Welf. & Inst. Code, § 4685.8, subd. (a).)

CLAIMANT'S SDP YEAR 3 BUDGET AND SERVICES

6. In September 2024, Claimant, Roxana DeMoica (Ms. DeMoica), Claimant's authorized representative and Hannah-Betty's mother, and Service Agency representatives met to discuss Claimant's Individual Program Plan (IPP) and SDP Year 3 budget and spending plan. For Claimant's Year 3 budget, Service Agency approved funding the following Community Living Supports services: (1) 322 hours of daytime SLS per month; (2) 248 hours of overnight SLS per month; and (3) 132 hours of daytime wraparound support per month. Claimant's IPP, dated September 27, 2024, showed a then-current budget of \$241,971.04 and a SPD Year 3 budget of \$268,878.24. On October 30, 2024, Claimant's SPD Year 3 budget increased from \$268,878.24 to \$355,769.28, to include an additional \$86,891.04 for the approved SLS hours.

Claimant's Year 3 spending plan included the following four items: (1) 2,106 Community Living Supports hours at the base hourly rate of \$42.23289 to be paid to Living Arrangement, Claimant's vendor, with a total of \$88,942.47; (2) 2,106 Community Living Supports hours at the base hourly rate of \$42.23285 to be paid to Living Arrangement, with a total of \$88,942.38; (3) 2,106 Community Living Supports hours at the base hourly rate of \$42.23292 to be paid to Living Arrangement, with a total of \$88,942.53; and (4) 2,023 Community Living Supports hours at the base hourly rate of \$42.22414, with a total of \$85,419.44. In October 2024, Claimant signed her Year 3 budget and spending plan, approving the budget and plan and certifying she understood that if her IPP "changes or if [she] relocate[s] spending, that the plan will need to be updated." (Exh. 8, p. A75.)

7. Claimant's Year 3 spending plan shows she selected the Co-Employer Model as her Financial Management Services (FMS) provider model, with GT Independence as her FMS. There are three models of FMS providers: (1) Bill Payer, where the FMS pays business entities and the participant has no responsibilities as an employer; (2) Co-Employer, where participant shares some of the employer roles and responsibilities with an FMS (e.g. participant schedules the worker, supervises the work, and approves timesheets); and (3) Sole Employer, where the participant is the direct employer of those providing services and pays for liability insurance and worker's compensation insurance. For all three models, the FMS helps SDP participants manage their individual budgets and spending plans, pays for services, including paying employees of the service providers, and makes sure the participant has funds to purchase services and supports for the budget year.

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SDP YEAR 3 UNPAID INVOICES

8. On September 24, 2025, Claimant and Ms. DeMoica informed Peter Centorcelli, Operations Team Leader with GT Independence, that Hannah-Betty and Marion Nunez have not received compensation for the hours they worked from March 2025 to August 2025. On October 1, 2025, Claimant, with assistance from Ms. DeMoica, emailed Mr. Centorcelli to follow up on the status of Hannah-Betty's and Mr. Nunez's paychecks.

9. In an email dated October 1, 2025, Mr. Centorcelli confirmed that as of October 10, 2025, Mr. Nunez's hours were paid, but GT Independence was waiting for Service Agency's response regarding Hannah-Betty's hours, as Service Agency expressed concerns over her delayed invoices.

10. In another email dated October 14, 2025, Mr. Centorcelli stated that Hannah-Betty's invoices for March 2025 through August 2025 were submitted on September 6 and September 7, 2025. According to Mr. Centorcelli, "[e]ach pay period had roughly 80 additional hours entered. Most of these hours were for Saturday and Sunday at 17 hours a shift. Due to the hours already submitted and paid, almost all of the new hours would be overtime and double overtime. Which our very rough calculation came up with \$50,000 to \$60,000 for the new hours." (Exh. 10, p. A82.) According to GT Independence's monthly statement for September 2025, Claimant had \$49,860.63 remaining for her Year 3 budget.

11. At the hearing, Ms. Nilsson, Service Agency's SDP Specialist, testified that GT Independence informed Service Agency that Hannah-Betty's invoices were not submitted contemporaneously. Furthermore, Ms. Nilsson explained that service providers are required to submit invoices contemporaneously, in compliance with state

and federal labor laws. However, Ms. Nilsson did not cite to any regulation that allows Service Agency to withhold payment for untimely invoices. Ms. Guillen, Service Agency Consumer Services Coordinator, and Mr. Gonzalez, Service Agency's Consumer Services Manager, testified that the other issue with Hannah-Betty's untimely invoices was that they exceeded the funding authorized in Claimant's approved Year 3 budget and spending plan. They explained that the spending plan establishes the scope and maximum amount of authorized services, and services rendered beyond the authorized budget are not eligible for payment.

12. At the hearing, Ms. DeMoica testified that the untimely submissions of invoices from Hannah-Betty were due to a misunderstanding between Ms. DeMoica and Hannah-Betty. Ms. DeMoica explained that in March 2025, she advised Hannah-Betty "to be cautious" with her billing because previously, Claimant's expenditures exceeded her approved budget, due to increased hours incurred by her SLS staff. As a result, Hannah-Betty did not submit her invoices for March 2025 through August 2025, until early September 2025. Ms. DeMoica contended that after informing GT Independence of the invoice oversight, Mr. Centorcelli assured her that the issue would be resolved. Ms. DeMoica contended that after meeting with Service Agency's representatives on September 25, 2025, Service Agency representative assured her that Service Agency would request a financial report from GT Independence to verify that the hours had not been compensated prior to authorizing Hannah-Betty's retroactive pay. However, there was no documentation to support Ms. DeMoica's contentions.

13. Ms. DeMoica stated that the unpaid invoices have caused distress to Hannah-Betty. Ms. DeMoica explained that the services Hannah-Betty provided are valuable because Claimant has challenging behavioral issues. Ms. DeMoica contended

that Hannah-Betty should be compensated for the hours she worked because her hours were approved for Claimant's Year 3 budget. In support of her testimony, Ms. DeMoica presented an email from Aubrey Gibson, Self Determination Support Specialist with GT Independence, showing that Hannah-Betty has not been paid for the 866.94 hours she worked from March 1, 2025, to August 31, 2025.

14. Ms. DeMoica explained that Claimant does not have the financial means to pay out of pocket for Hannah-Betty's unpaid invoices because Claimant receives monthly income of \$900 in Social Security benefits and \$195 in CalFresh benefits.

Analysis

15. The evidence shows that Hannah-Betty billed for Community Living Supports hours in excess of the hours authorized under Claimant's Year 3 budget, specifically August 30 and August 31, 2025. Claimant has \$49,860.63 remaining for her Year 3 budget, which does not account for Hannah-Betty's unpaid 866.94 hours. However, the total amount of Hannah-Betty's unpaid 866.94 hours from March 1, 2025, to August 31, 2025, is at least \$51,170.58, assuming Hannah-Betty's base hourly rate is at least \$42.22414. Therefore, Claimant's request for retroactive payments related to Hannah-Betty's services would increase her approved Year 3 budget.

16. The evidence did not show a change in Claimant's circumstances or needs justifying an increase in her SDP budget to accommodate the excess hours. Under the Co-Employer model, both Claimant and her FMS are responsible for managing her individual budget and spending plan and paying for services. If Claimant believes that those excess hours constitute a change in circumstances warranting an increase in SDP budget, she may request an IPP meeting to discuss such a request, which Claimant did not do in this case.

LEGAL CONCLUSIONS

Burden and Standard of Proof

1. Where a change in services is sought, the party seeking the change has the burden of proving that the change in services is necessary by a preponderance of the evidence. (Evid. Code, §§ 115, 500.) In this case, Claimant requests Service Agency to issue retroactive payments for Community Living Supports hours, which would increase her approved Year 3 budget. Claimant therefore bears the burden to prove by a preponderance of the evidence she is entitled to the SDP budget increase she requests. 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.)

Applicable Law

2. The Lanterman Act is a comprehensive statutory scheme providing a pattern of facilities and services sufficiently complete to meet the needs of each person with developmental disabilities, regardless of age or degree of disability, and at each stage of life. The purpose of the statutory scheme is twofold: To prevent or minimize the institutionalization of developmentally disabled persons and their dislocation from family and community, and to enable them to approximate the pattern of everyday living of nondisabled persons of the same age and to lead more independent and productive lives in the community. (*Assn. for Retarded Citizens v. Dept. of Developmental Services* (1985) 38 Cal.3d 384, 388.)

3. "Self-determination" is defined as "a voluntary delivery system consisting of a defined and comprehensive mix of services and supports, selected and directed by

a participant through person-centered planning, in order to meet the objectives in their IPP. Self-determination services and supports are designed to assist the participant to achieve personally defined outcomes in community settings that promote inclusion. . .” (Welf. & Inst. Code, § 4685.8, subd. (c)(6).)

4. “Individual Budget” means the amount of regional center purchase-of-service funding available to the participant to purchase services and supports necessary to implement the IPP. (Welf. & Inst. Code, § 4685.8, subd. (c)(3).) The SDP requires a regional center, when developing the individual budget, to determine the services, supports, and goods necessary for each participant based on the needs and preferences of the participant, and when appropriate, the participant’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. The regional center can adjust an SDP participant’s individual budget if a change in circumstances, needs, or resources would result in an increase or decrease in purchase of service expenditures, or if the IPP team identifies a prior unmet need that was not addressed in the IPP. (Welf. & Inst. Code, § 4685.8, subd. (m)(1)(A)(ii).) The IPP team must determine the individual budget to ensure the budget assists the participant in achieving the outcomes set forth in the participant’s IPP and ensures their health and safety. (Welf. & Inst. Code, § 4685.8, subd. (j).)

6. “Spending plan” means the plan the participant develops to use their available individual budget funds to purchase goods, services, and supports necessary to implement their IPP. The spending plan shall identify the cost of each good, service, and support to be purchased with regional center funds. The total amount of the SDP participant’s spending plan cannot exceed the amount of their individual budget. (Welf. & Inst. Code, § 4685.8, subd. (c)(7).)

7. The SDP requires participants to “only purchase services and supports necessary to implement their IPP.” (Welf. & Inst. Code, § 4685.8, subd. (d)(3)(C).) The SDP specifically obligates the participant to “manage [SDP] services and supports within the participant’s individual budget.” (Welf. & Inst. Code, § 4685.8, subd. (d)(3)(D).)

8. The spending plan shall be assigned to uniform budget categories developed by the Department of Developmental Services in consultation with stakeholders and distributed according to the timing of the anticipated expenditures in the IPP and in a manner that ensure that the participant has the financial resources to implement the IPP throughout the year. (Welf. & Inst. Code, § 4685.8, subd. (m)(B)(3).)

9. Under California Code of Regulations, title 17, section 50604, subdivision (a), service providers are required to enter all transactions for each month into the financial record within 30 days after the end of that month.

Disposition

10. For the reasons set forth above, Claimant did not prove by a preponderance of the evidence she is entitled to an increased Year 3 budget to cover the hours not authorized under Claimant’s Year 3 budget.

11. However, Service Agency approved a total of \$355,769.28 for Community Living Supports hours, in which \$49,860.63 remains. Although Hannah-Betty did not submit her invoices timely, there are no regulations that allow Service Agency to withhold payment for untimely invoices. It is in the interest of justice to issue payment for services rendered. Furthermore, it is not solely Hannah-Betty’s responsibility to submit the invoices, but it is incumbent on the FMS to collect and process them.

Therefore, Service Agency shall issue retroactive payments in the total amount of \$49,860.63 for Hannah-Betty's Community Living Supports hours provided between March 2025 and August 2025.

ORDER

Claimant's appeal is granted in part and denied in part. Service Agency shall issue retroactive payments in the total amount of \$49,860.63 towards Hannah-Betty's unpaid Community Living Supports hours provided between March 2025 and August 2025. The appeal is otherwise denied.

DATE:

SANDY YU

Administrative Law Judge

Office of Administrative Hearings

BEFORE THE
DEPARTMENT OF DEVELOPMENTAL SERVICES
STATE OF CALIFORNIA

In the Matter of:

Claimant

OAH Case No. 2025110439

Vs.

DECISION BY THE DIRECTOR

North Los Angeles Regional Center

Respondent.

ORDER OF DECISION

On January 14, 2026, an Administrative Law Judge (ALJ) at the Office of Administrative Hearings (OAH) issued a Proposed Decision in this matter.

The Proposed Decision is adopted by the Department of Developmental Services 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 4712.5, subdivision (a)(1), 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 January 27, 2026.

Original signed by

Katie Hornberger, Deputy Director
Community Assistance and Resolutions Division (CARD)