Cheat Sheet for Non-Lawyers

Cost Effectiveness

For use by people with intellectual and developmental disabilities and their supporters to respond to regional center service denials

Prepared by: Ricardo Reyna

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Disclaimer: This document contains general information, not legal advice. It is based in part on examples seen in a small set of California Office of Administrative Hearings (OAH) decisions. This guide is based on the law and the administrative hearing decisions interpreting the law at the time we write them. We try to update our materials; however, laws are regularly changing. If you want up-to-date information about the law, please visit Disability Rights California at www.disabilityrightsca.org or another legal source.

Sections

1. Introduction

Regional center service disputes often involve a few common rules, and those rules can overlap. A service denial may involve questions about IPP goals and disability-related need; whether another system is supported to provide the service first; cost-effectiveness; parental responsibility; or other limits on regional center funding. This guide does not try to cover every kind of service dispute. Instead, it focuses on service denials on the basis that the service is not "cost-effective" and explains how that issue tends to come up across different kinds of services.

For a denial of a new service or support, the person appealing has to prove that the requested service is needed and should be funded. For a reduction, change, or termination of an existing service, the regional center is the one trying to change the current services, so the regional center usually has to prove that the service should be reduced, changed, or stopped.

2. Summary of Topic

Regional centers often consider whether a requested service is cost-effective. Cost-effective does not mean cheapest, and it does not mean the regional center can deny a needed service simply because it costs money. The better questions are whether the requested service is reasonably connected to the person's disability-related needs and IPP goals, whether it actually meets the need, whether less costly options would also meet the need, and whether other funding sources have been explored when they are legally responsible for the service. People are more likely to win their cases when their requests include specific information about the service they want, the provider, the cost, why the service is needed, and why available alternatives are inadequate.

3. What does the law say about this topic?

The Regional Center can only fund services/activities that are cost effective *(Welfare & Institutions Code §4512(b))*

The services provided by the regional center must be cost-effective. Cost-effective does not mean cheapest. The regional center must choose the least costly option that actually meets the need identified in the IPP, not simply the lowest-priced option overall.

Factoring in the Claimant's IPP *(Welfare & Institutions Code §4646, 4646.5, 4647, 4648)*

Regional centers are the ones who are responsible for developing and implementing IPPs. This means that before they consider paying for a service, they have to look at the claimant's IPP and see if it fits within the general plan. This could be if it supports the same goals or if it is within the same budgetary range as other activities.

4. Common reasons for regional center denials in these cases

If the service is too similar to something the regional center already funds.

This is likely because the IPP goal is already being met.

When other funding sources have not been exhausted.

For instance, regional centers often deny requests when Medi-Cal, IHSS, CCS, private insurance, Social Security, or other generic resources have not been fully explored.

If the service is not tied to the claimant's disability or IPP goals.

If the regional center struggles to see a connection between the service/activity and either the claimant's disability or what's in the IPP (objective test), then they'll usually deny funding.

When the level of service is no longer justified given changed circumstances.

For instance, if the claimant originally got funding under emergency circumstances, that funding will be denied when the emergency subsides.

When there's not enough information about the nature of the service/activity being requested.

Essentially, if the regional center doesn't know who the organization is, what they do, how much it costs, etc., they will deny the service.

5. What kinds of facts and evidence help people win their cases?

1) First, it's essential to connect the requested activity to the claimant's IPP and disability. This can be accomplished in a few ways. Testimony from an expert, a parent, or staff member at the desired activity can be persuasive in showing how the requested funds will help the claimant achieve a related goal to their IPP. Medical documents are useful for showing the need for funding, particularly if the desired money would be used for something medical related such as a doctor's appointment or testing. In sum, any other documents that can draw a line between how the activity would help further the claimant's goals and be accommodating given their disability are very helpful.

Case Spotlight

(RCOC, OAH: 2025020055, DDS: CS0024004)

The regional center was already funding three activities (karate, swimming, and music lessons) for the claimant that were tied to their stated IPP goals (community integration, physical health, and social engagement). The claimant was asking the regional center to fund a fourth activity – photo and video production classes. However, the claimant did not provide sufficient information about the course itself, including how much it would cost and who would be facilitating it. Therefore, the regional center denied funding. The administrative law judge agreed that common-sense arguments are less persuasive and additional funding needs to be supported with more information. The takeaway here is that the more specific an ask for funding can be, the more likely it is to get approved.

2) Second, claimants should demonstrate that all other funding resources have been exhausted. Because regional centers are the payer of last resort, they should be the absolute last resource to ask for funding. There are various ways to show this. Families can create a comprehensive list of all funding sources that have been explored, including denial letters where applicable, which helps the regional center keep track of cost-effectiveness. Moreover, if there's a generic resource available but it's inadequate for some reason, such as if the waitlist is too long, providing a clear explanation is very helpful in those situations.

Case Spotlight *(RCOC, OAH: 2025050503, DDS: CS0026733)*	The claimant requested regional center funding to convert a bathtub into a walk-in shower and to install a higher toilet. These modifications were sought because of the claimant's physical disability, which made using standard bathroom fixtures difficult and unsafe. However, the claimant had not gotten any cost estimates or quotes from contractors for either of the requested modifications, so the regional center denied funding. The administrative law judge let the claimant resubmit once they could get those specific cost estimates. Thus, the takeaway is that getting specific cost estimates is very persuasive and can help secure funding.

3) Third, providing the regional center with specific dollar amounts and comparisons to the dollar amounts of alternatives is highly beneficial. Getting quotes and estimates is a great start to ensuring the regional center sees the activity as cost-effective. For instance, if the dollar amount for the desired activity can be compared to a more expensive alternative, such as if the regional center can pay for an activity that costs $100 but an out-of-network alternative costs $150, that is very persuasive. If what the regional center offers is inadequate for some reason, having a dollar amount for the desired activity can strengthen a side-by-side comparison and help show why the extra money is necessary.

Case Spotlight *(FNRC, OAH: 2025050870, DDS: CS0026964)*	The regional center provided about $180,000 in funding to complete home modifications on his first home. The claimant moved to a new home and requested funding for modifications at the new place. The regional center denied the funding, but it wasn't because of a lack of *need* for the modifications. Instead, the primary basis for denying funding was that the claimant kept his old home. However, the takeaway here is that funding requests that are legitimately tied to the disability and cost estimates will help secure funding from the regional center.

4) Fourth, showing that the claimant has a specified level of need is almost essential to winning the case. This can be shown most likely through medical evidence of the diagnosis as well as behavioral assessments from either regional centers or third parties. Regional centers are more inclined to fund services/activities where there is true medical need as opposed to an idea that would be nice.

Case Spotlight: *(ACRC, OAH: 2024120655, DDS:CS0022936)*	The regional center did an initial evaluation that determined the claimant did not have autism. After changes in the claimant's behavior, the mother requested funding to have a reassessment done. The mother provided expert testimony from doctors, but the administrative law judge did not see why that testimony should be preferred over the expert testimony from the regional center doctors. The takeaway here is that expert testimony from doctors can help make a case more persuasive, but if the regional center also provides doctor testimony, there needs to be a comparison explaining why your doctor's testimony is more relevant.

Case Spotlight:

(WRC, OAH: 2025031108, DDS: CS0025393)

The claimant requested placement in an Intermediate Care Facility (ICF) of their choosing. The regional center had previously identified a different ICF option that it was willing to fund, but the claimant contended that it was inadequate to meet their specific medical and disability-related needs, and was also in a less safe area of town. The regional center denied funding because the claimant did not meet the level of medical need that the facility required. While the funding was ultimately denied, the claimant's side-by-side comparison of the two ICFs was a helpful starting point. If the claimant had been able to back up their claim that they *did* meet the facility's required level of medical need with additional medical documents and testimony, it would have strengthened their case.

6. What kinds of facts, evidence, or lack of facts and evidence cause people to lose their cases?

1) First, claimants often rely too much on vague or general statements of need. General observations about at home behavior are usually not persuasive enough to convince a regional center to fund an activity. If a claimant is engaging in negative behavior that would be alleviated through the funding of some resource the regional center can provide, vague language such as "sometimes" or "usually" engaging in the behavior is less persuasive than "9-10 times a week." Another way to avoid this pitfall is to strengthen observations with proof either through medical documentation or testimony of somebody else that can attest to the need for funding.

Case Spotlight *(RCOC, OAH: 2024101069, DDS: CS0021748)*	The claimant was requesting funding for a personal chef. They were already receiving funding for cooking classes. The claimant argued a personal chef was necessary because they were overweight, pre-diabetic, had food restrictions, and had high blood pressure. The regional center denied funding because this was not tied to his IPP plan. A personal chef does not achieve the stated goal of being more involved in the community because instead the claimant would be at home.

Case Spotlight

(ELARC, OAH: 2022090619, DDS: CS0021748)

The claimant had originally received regional center funding for emergency-level services following a serious mental health episode. As months passed, the claimant's condition stabilized. The regional center initiated a review and determined that the claimant's circumstances no longer reflected the emergency conditions that required the original high level of funding, so they decided to phase out the funding/service over the course of weeks. The claimant argued that they still needed the higher level of service and funding. The administrative law judge denied funding because without more concrete evidence of medical necessity, there was no need for that funding anymore. The takeaway is that when making arguments about how cost-effective a service is, it could be helpful to show through medical documents and testimony that while the cost might be high, it is a necessary cost.

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2) **Second, another common pitfall is requesting the regional center to provide a service, but then not giving enough information about the service.** Information that is persuasive includes: How much does the service/activity itself cost? Does traveling there impose a cost? How many times a week would the service/activity be? What do the alternatives cost?

Case Spotlight *(WRC, OAH: 2025020697, 2025020794, DDS: CS0024443, CS0024487)*	Claimant requested funding for horseback riding lessons. However, Claimant was requesting funding for a service from a show barn that did not provide any lessons. Claimant's mother had been taking Claimant to the barn for a year, but she did not describe what activities took place there, who the instructors were, or what other children were there. All she mentioned was that there was grooming and feeding. The regional center said it would not be cost-effective to fund a service they knew nothing about, and the judge agreed. The takeaway is that claimants should be able to describe in detail the service they're requesting, and explain why the service is cost effective compared to similar alternatives.

3) Third, another common pitfall is choosing to go to an activity first and then asking the regional center to reimburse later. Regional centers are very particular about what they fund, so it's better to make sure they will fund an activity than ask for a refund later, which will usually be denied.

Case Spotlight *(SCLARC, OAH: 2024040728, DDS: CS0015732)*	Claimant requested funding for braces. However, the regional center found several problems. First, the claimant's mother's testimony was not sufficient without a medical opinion from a provider that the regional center worked with (not claimant's personal orthodontist). Second, the funding for braces was not related to the claimant's diagnosis. Third, claimant had not exhausted all generic resources.

4) Fourth, regional centers usually do not fund services that provide general benefits to the entire family, including the claimant. Instead, they have to be tied to the claimant's IPP goals and disability.

Case Spotlight *(RCOC, OAH: 2024101069, DDS: CS0021748)*	Claimant was requesting funding for Wi-Fi, cellphone, and a fax line. Claimant argued these were important to be able to communicate with family and others, and that the fax line was necessary because some medical providers only received submissions by that way instead of email. The main issue was that Claimant's family had requested this funding for themselves too. Regional centers only provide funding when it's tied to the *claimant's* disability. This is similar to the reason for denying funding for the family van in TCRC - 2022100694.

7. Pulling it all together: Common denials and how to respond

Use this chart to match a common denial with a short response and the evidence that may help.

Example of a service you might request the regional center to fund	Example of why a regional center may say no to your request	Example of an argument you could make in response to the regional center's denial explaining why you need the service and the laws that support your request	Example of facts, witnesses, or records you could use to support your argument about why you need the service
Home improvements	Unsure of how much it would cost, so can't evaluate if it's cost-effective	If the diagnosis requires a specific need, the cost of home improvements is reasonable for the regional center to fund, especially if all generic resources have been exhausted.	Specific cost-estimates, documents (quotes) to see how much renovations would cost.
Social/Recreational activity (e.g. music lessons, sports, etc.)	Doesn't fit in the claimant's IPP, so it's not a cost-effective use of money for an activity that would meet their goal	Going to the activity a certain number of times a week costs this specific amount and it's cost-effective (cheaper) compared to the alternatives.	Doctor diagnosis, expert testimony from the place that provides the service being requested, cost-estimates of activity, specific number of times per week being requested.
Funding for vehicles that can be used by the family	Not cost-effective to fund a resource that can be used for something other than the claimant's needs	There's a medical necessity for the vehicle being asked for, making it cost-effective. This could look like going to doctor's visits, etc.	Doctor testimony, other statistics that prove necessity.

Funding for utilities that can be used by the entire family	Not cost-effective to fund a resource that can be used for something other than the claimant's needs	Wi-Fi/TV/etc. is not explicitly listed in a statute and potentially necessary to boost claimant's mental state.	Doctor testimony, psychological evaluation, cost estimates of the utility.
Funding for a personal trainer/gym membership	Potentially does not fit into claimant's IPP, not cost effective in light of other activities	Claimant enjoys working out and it's helpful for their mental health. It could replace an activity if necessary.	Medical testimony, testimony from a parent, evidence of other activities being funded and how it's inexpensive compared to what's already being funded.
An apartment	Not cost-effective to fund an apartment in light of other services received or alternative place of living	Claimant wants to live independently and it is necessary to achieve IPP goals.	Any cost estimates. Medical testimony. IPP goals.

Appendix 1

List of OAH Decisions Reviewed and Analyzed about Cost Effectiveness:

1. ***OAH No. 2025050870 (FNRC):*** Claimant requested modifications to their new home. The regional center denied this request because they had already funded modifications to the old home, and they were unwilling to fund two homes for the claimant at the same time. Claimant was refusing to sell his old property.

2. OAH No. 2025020055 (RCOC): Claimant was receiving funding for 3 activities (karate, swimming, and music). They asked for funding for a fourth activity (photography/video classes). The funding was denied because there was not enough information about the class itself, and it wasn't clear how a fourth class would add to the stated IPP goals in a way that the 3 already funded activities weren't already doing.

3. OAH No. 2024120655 (ACRC): Claimant was asking for funding to get a psychological reevaluation. This funding was denied because Claimant did not demonstrate why a reassessment was necessary given previous doctors who had found Claimant did not score high enough on previous psychological evaluations to have autism.

4. OAH No. 2022090619 (ELARC): Claimant had originally received funding for emergency-level services after a mental breakdown. However, months after the episode, Claimant's condition was no longer in a state of emergency, so the regional center declined to continue to provide funding for services at that level and instead opted to slowly phase it out. Claimant was still eligible for funding for the diagnosis.

5. OAH No. 2024040728 (SCLARC): Claimant was asking for funding for braces. The funding was denied because there was no medical connection between autism and braces. Also, not all generic resources had been exhausted.

7. OAH Nos. 2025020697 & 2025020794 (WRC): Claimant was asking for horseback riding and music lessons funding. Both were denied because there was not specific evidence about how it would fit into the stated IPP goals.

8. OAH No. 2025050503 (RCOC): Claimant was asking for funding for the conversion of their bathtub into a walk-in shower as well as a higher toilet. They were also asking for more time to get quotes for cost estimates. The regional center denied funding because there were no cost estimates, but they said to come back once the claimant had those.

9. OAH No. 2024101069 (RCOC): Although the regional center had already approved weekly personal training sessions, a gym membership, and a 12-pack of group Pilates classes, claimant asked for a range of alternative and/or additional services. The additional requests were denied because they did not have a clear connection to claimant's disability or IPP goals, the evidence did not establish that current services were inadequate, and/or some of the expenditures (such as rental assistance on a second home) were not authorized under state law.

10. OAH No. 2025031108 (WRC): Claimant requested ICF housing placement and housing vouchers. Housing vouchers were denied because Claimant did not receive supported living services. The ICF Housing was denied because there were no medical records to support a need to be placed there.

Appendix 2: Glossary of Common Terms

Term	Definition
ALJ (Administrative Law Judge)	The judge who presides over the hearings and makes the decision on the case
Burden of Proof	The term for the responsibility of the claimant to show based on the evidence they deserve funding more likely than not
CCS (California Children's Services)	A state program for children up to 21 years old that provides certain health care and services
Generic Resources	Publicly funded services available to members of the general public. All of these need to be exhausted before seeking funding through the regional center.
HCBS (Home and Community-Based Services)	Federal Medicaid-funded services that allow certain claimants to receive care from their own homes
IHSS (In-Home Supportive Services)	A California program that provides at-home assistance for certain claimants who meet specific disability criteria
IPP (Individual Program Plan)	The written plan developed between a regional center and claimant that addresses goals and funding targets
NOA (Notice of Action)	The written letter from the regional center that tells the claimant whether they are deciding to fund, changing funding, or denying funding for a service/activity.
Self Determination Program (SDP)	An initiative put in place in the State of California that creates more flexibility for social recreation activities by giving claimants a set amount of funding and allowing them to switch out activities as needed.
SLS (Supported Living Services)	Funding that helps claimants live in their own home in order to promote a sense of independence

Appendix 3:

List of resources that can help me prepare for IPP meetings and disagreements with regional centers

1. **Rights Under the Lanterman Act:** This Manual is published by Disability Rights California. It has one purpose: to help you understand some of your rights as a person with developmental disabilities in California. The Manual focuses on your rights to supports and services under the Lanterman Act — your rights with the regional center and service providers. It will not answer every question you may have, but it is a place to start.

2. Search Tools to find hearing decisions about regional center cases
    a. **Stanford Intellectual and Developmental Disabilities Law and Policy Project Smart Search Tool**
    b. **Office of Administrative Hearings Website**

3. **Regional Center Services and IPP Toolkit:** This Toolkit is published by Disability Rights California and explains how you can prepare for your IPP meetings with your regional center.

4. **Regional Center Hearings and Appeals Toolkit:** This Toolkit is published by Disability Rights California and has additional information about how you can prepare for hearings when you disagree with a decision your regional center has made about your services.