



To: Funeral home, cemetery, and crematory service providers

## New Policies Effective October 3, 2016, Related to Life Insurance and Exemption from Certain Fees

This *Wisconsin Funeral and Cemetery Aids Program (WFCAP) Service Provider Update* outlines two policy changes to WFCAP that were mandated as part of 2015 Wisconsin Act 55. These policies include: (1) changes to WFCAP payment where there is a life insurance policy insuring the decedent's life with a face value in excess of \$3,000 and (2) changes to payment for certain county services.

### Life Insurance Policy that is More than \$3,000

Effective October 3, 2016, if a WFCAP decedent is named as the insured for a life insurance policy with a face value of more than \$3,000, the life insurance policy must be used to pay for the decedent's funeral, cemetery, and/or cremation expenses. A WFCAP payment will only be considered for remaining unmet amounts, subject to payment limits. This applies to cases where both of the following conditions are met: (1) the date of death is on or after October 3, 2016, and (2) the life insurance policy was created on or after October 3, 2016.

This applies to any life insurance policy with the decedent named as the insured, regardless of who is named as the beneficiary.

### Calculation of Payment Reduction

WFCAP payment will be reduced by one dollar for every dollar the face value of a life insurance policy exceeds \$3,000. The reduction will apply proportionately across the funeral and cemetery/crematory categories based on the following two application scenarios:

- When funeral and cemetery/crematory expenses are submitted in **separate** WFCAP applications, the reduction is proportionate to the **total available funding**. The total available funding is the percentage of the maximum policy limits. Therefore, the reduction proportions are 60 percent for a funeral home and 40 percent for a cemetery.
- When funeral and cemetery/crematory expenses are submitted in one **combined** WFCAP application, the reduction is proportionate to the **total requested funding**. The total requested funding will vary based on the amount each service provider requests.

See Attachment 1 at the end of this Update for examples of these scenarios.

## **Updates to WFCAP Forms**

Effective October 3, 2016, the forms listed below will be updated to reflect policy changes announced in this Update.

### ***Revisions to Wisconsin Funeral and Cemetery Aids Program Reimbursement Request Form, F-10141***

- The name of the form will change from “Wisconsin Funeral and Cemetery Aids Program Reimbursement Request” to “Wisconsin Funeral and Cemetery Aids Program Application.” The form number, F-10141, will remain the same.
- Service providers will be required to include life insurance policy funds available by the estate and other sources and to submit documentation verifying the life insurance with the application.
- Documentation must include a copy of the life insurance policy that states the following:
  - Face value,
  - Insurance company name,
  - Issue date, and
  - Policy number.

If verifying documentation is not submitted with the application, a verification checklist will be sent to the service provider. Service providers should work with the decedent’s executor/family representative to obtain the required documentation.

- The relationship of the executor/family representative who signs the form must be provided.
- Service providers may include their fax number.

### ***Revisions to Wisconsin Funeral and Cemetery Aids Program Reimbursement Notice, F-10143***

- The name of the form will change from “Wisconsin Funeral and Cemetery Aids Program Reimbursement Notice” to “Wisconsin Funeral and Cemetery Aids Program Notice of Decision.” The form number, F-10143, will remain the same.
- Denial and payment reduction reasons related to the policy changes announced in this Update will be added.

### ***Revisions to the Wisconsin Funeral and Cemetery Aids Program Verification Checklist***

The verification checklist will be updated to reflect additional documentation needed related to the verification of a life insurance policy. For verification information, refer to the previous section, “Revisions to Wisconsin Funeral and Cemetery Aids Program Reimbursement Request Form, F-10141.”

### **Exemption from Certain County Fees**

Service providers receiving WFCAP payments are exempt from paying fees for services rendered by a coroner or medical examiner, including the signing of a death certificate. Service providers are also exempt from paying fees assessed by a county related to transportation services.

Under Act 55, counties, coroners, and medical examiners cannot charge WFCAP-eligible decedents for these services; therefore, WFCAP will not pay for these services for decedents with a date of death on or after October 3, 2016.

## Reminders

WFCAP is the payer of last resort. WFCAP payments are limited to unmet funeral and cemetery/crematory expenses.

Applications should only be submitted when the decedent's estate and other sources are insufficient to pay for goods and services rendered.

Only funeral homes and cemeteries/crematoriums may submit WFCAP applications, inquire about submissions, and appeal decisions.

As a result of the centralization of the administration of WFCAP statewide, service providers should submit faxed documentation to 608-266-8317.

## Additional Information

Policy information announced in this Update will be added to the online WFCAP Manual at [www.emhandbooks.wisconsin.gov/wfcap/fcap.htm](http://www.emhandbooks.wisconsin.gov/wfcap/fcap.htm).

The *Wisconsin Funeral and Cemetery Aids Program (WFCAP) Service Provider Update* is a source of new program policy information.

WFCAP is administered by the Division of Health Care Access and Accountability, Wisconsin Department of Health Services.

For questions, call WFCAP at 888-859-0611 or visit [dhs.wisconsin.gov/em/wfcap.htm](http://dhs.wisconsin.gov/em/wfcap.htm).

Service providers are encouraged to sign up for email notifications of program updates at [dhs.wisconsin.gov/em/signup.htm](http://dhs.wisconsin.gov/em/signup.htm).

# ATTACHMENT 1

## WFCAP Life Insurance Payment Reduction Method Examples

### Example 1

When funeral and cemetery expenses are submitted in **separate** WFCAP applications, the reduction is proportionate to the **total available funding**. The total available funding is the percentage of the maximum policy limits. Therefore, the reduction proportions are 60 percent for a funeral home and 40 percent for a cemetery/crematory.

<b>WFCAP Total Available Funding</b>		
Service Provider Type	Total WFCAP Available Funding*	Percentage of WFCAP Available Funding
Funeral Home	\$ 1,500	60%
Cemetery/Crematory	\$ 1,000	40%
Total	\$ 2,500	100%

\*Maximum policy limits

### WFCAP Applications Submitted Separately

For a \$4,000 Life Insurance Benefit

Service Provider Type	Amount of Life Insurance Over \$3K	Percentage Reduction	Amount of Reduction	WFCAP Request Amount	Net Available Funding
Funeral Home	\$ 1,000	60%	\$ (600)	\$ 1,000	\$ 400
Cemetery/Crematory		40%	\$ (400)	\$ 1,000	\$ 600

### Example 2

When funeral and cemetery expenses are submitted in one **combined** WFCAP application, the reduction is proportionate to the **total requested funding**. The total requested funding will vary based on the amount each service provider requests.

### Combined WFCAP Applications

For a \$3,500 Life Insurance Benefit

Service Provider Type	WFCAP Request Amount	Percentage Reduction	Amount of Life Insurance Over \$3K	Amount of Reduction	Net Available Funding
Funeral Home	\$ 1,000	50%	\$ 500	\$ (250)	\$ 750
Cemetery/Crematory	\$ 1,000	50%		\$ (250)	\$ 750