



Department of Health Services



# Wisconsin Funeral and Cemetery Aids Program (WFCAP)

Division of Health Care Access and Accountability  
September 21, 2016



# Agenda

- What Is WFCAP?
- WFCAP Payment Policy and Process
- Program Changes Effective October 3, 2016
- Reminders



# What Is WFCAP?



## WFCAP Introduction

- WFCAP is governed by Wis. Stat. § 49.785.
- WFCAP is an assistance program to service providers who offer funeral, cremation, and cemetery services to certain decedents, and whose services are not fully compensated by the decedent's estate, family, or other resources.
- WFCAP is the payer of last resort.



## Program Administration

- WFCAP is administered by the Department of Health Services (DHS).
- Contact information:
  - Telephone: 888-859-0611
  - Fax: 608-266-8317
  - Email: [DHSWFCAPApplications@wi.gov](mailto:DHSWFCAPApplications@wi.gov)



# Program Administration

Contact WFCAP:

- To check if a deceased individual meets the criteria for potential eligibility
- To submit an application
- To check the status of an application



# Qualifying Decedents

WFCAP may issue payment for the unmet funeral and/or cemetery/crematory expenses of a decedent who, on the date of death, was any one of the following individuals:

- W-2 participant (paid placement only)
- Child for whom a Caretaker Supplement (CTS) or Kinship Care benefit was being made on their behalf



# Qualifying Decedents

- Categorically needy elderly, blind, or disabled (EBD)-related Medicaid recipient (does not include a person eligible through meeting a deductible or the Medicaid Purchase Plan)
- Child receiving foster care or adoption assistance
- Child certified for Katie Beckett Medicaid
- Categorically or medically needy institutional Medicaid recipient





## Qualifying Decedents

- Home and Community-Based Waiver or Family Care recipient
- Tuberculosis (TB)-related Medicaid recipient
- Supplemental Security Income (SSI) or State SSI recipient who resides in Wisconsin



## Qualifying Decedents

- BadgerCare Plus recipients who meet any of the following criteria on the date of death:
  - Parent or caretaker relative with income not more than 50% of the Federal Poverty Level (FPL)
  - Child younger than age 6 or a pregnant woman with family income that does not exceed 185% of the FPL



# Qualifying Decedents

- Child age 6 through 18 with income not more than 100% of the FPL
- Unborn child of a woman in a WFCAP-eligible program



## Qualifying Decedents

- Eligibility for a qualifying program must be established prior to consideration for WFCAP payment.
- If the decedent was not enrolled, but was eligible for a WFCAP-qualifying program at the time of death, the family can apply for Medicaid benefits on behalf of the decedent through the decedent's [income maintenance agency](#).



# Potential Eligibility Inquiries

- Upon the death of the decedent, service providers are encouraged to contact WFCAP about potential program eligibility before submitting an application.



# Potential Eligibility Inquiries

- Potential eligibility is based on the decedent meeting at least one of the eligibility criteria at the time of contact.
- Actual program eligibility and the amount of payment that may be approved is determined at the time the complete application is processed.



# WFCAP Payment Policy and Process



# Payment Policy

## WFCAP payment limits.

- For unmet *funeral* expenses where these total expenses do not exceed \$4,500
  - Limited to the lesser of \$1,500 or any amount for which the estate of the deceased is insufficient to pay and that is not paid by other sources.





# Payment Policy

## WFCAP payment limits.

- For unmet *cemetery/crematory* expenses where these total expenses do not exceed \$3,500
  - Limited to the lesser of \$1,000 or any amount for which the estate of the deceased is insufficient to pay and that is not paid by other sources.



# Payment Policy

WFCAP is the payer of last resort.

- Payment should be requested only when the decedent's estate and other sources are insufficient to pay for goods and services rendered.
- Service providers are required to make a reasonable effort to exhaust all other funding sources before submitting an application.



# Application

- Only funeral home, cemetery, or crematory service providers can submit an application.
  - Applications will not be accepted from family members.
- An application will not be considered before goods and services are rendered.



## Application

- The Wisconsin Funeral and Cemetery Aids Program Application (F-10141) is the only form of application that will be accepted.
  - The application can be found at [dhs.wisconsin.gov/forms/F1/F10141.pdf](https://dhs.wisconsin.gov/forms/F1/F10141.pdf).
- Total funeral and cemetery/crematory expenses must be reported by the funeral home, cemetery, or crematory on the application.



## Application

- Service providers are encouraged, but not required, to submit a combined application covering both funeral and cemetery/crematory expenses for a decedent.
- However, the application must be signed by each service provider requesting payment, and payment will be issued to the appropriate service provider.



# Reporting Total Expenses

"Total funeral and cemetery/crematory expenses" are defined as actual expenses prior to any discounts or payments (not estimates) for all funeral and cemetery/crematory goods or services provided (that is, sold) by the funeral home, cemetery, or crematory, whether provided before or after death.



# Determining Expense Type

Determining whether a good or service is a funeral expense or a cemetery/crematory expense hinges on who actually provided the service.

- Goods or services provided by a funeral home (including cremation) are funeral expenses.
- Goods or services provided by a cemetery or stand-alone crematory are cemetery expenses.



# Determining Expense Type

## Exception:

If a **small** and **rural** cemetery requires but cannot provide certain goods or services and therefore relies on a funeral home to provide them on their behalf (e.g. the outer burial vault, opening and closing of the grave, etc.), the good or service may be counted as a cemetery expense, even though it is provided by a funeral home.

**Note:** The cemetery may be contacted to verify if they meet this exception.





# Reporting Funeral Expenses

- Total funeral expenses are reported by attaching the Statement of Funeral Goods and Services Selected to the application.
- The funeral home must report the total actual expenses associated with the goods and services that it, or other funeral homes in the same corporation, provided, whether those goods and services were provided before or after death.



# Reporting Funeral Expenses

The funeral home must also report total actual expenses associated with goods and services provided by others, but for which the funeral home pays (also known as cash advances).



# Cash Advances

- Cash advances are goods and services obtained by a funeral home from a third party that are paid for by the funeral home on behalf of and subject to reimbursement from a person purchasing services from the funeral home.
- Adequate verification of all cash advances is required.



# Cash Advances

When the funeral home charges the same amount as the cash advance:

- This must be identified on the Statement of Funeral Goods and Services Selected
- The expense is not counted toward the \$4,500 funeral expense cap
- The amount is not eligible for WFCAP payment



# Cash Advances

When the funeral home charges an amount greater than the cash advance (adds a service fee):

- This must be identified on the Statement of Funeral Goods and Services Selected
- The cash advance plus the service fee is counted against the expense cap
- The amount can be included in the WFCAP payment



# Verification of Cash Advances

Acceptable forms of verification of a cash advance include:

- A receipt from the third party vendor (preferred)
- Attestation on the Statement of Funeral Goods and Services Selected
- Attestation on a separate written document



# Verification of Cash Advances

The itemized statement or receipt must provide:

- Vendor name
- Vendor telephone number
- Amount of cash advance
- Date of purchase
- Service fee, if any is charged by the funeral home



# Reporting Cemetery/Crematory Expenses

- Cemeteries and crematories must report total actual expenses associated with the goods and services that they provide, whether those goods and services are provided before or after death.
- Total cemetery expenses are reported by attaching itemized statement(s) to the application.





## Special Circumstances

- Under certain circumstances (for example, an oversized casket, or transporting the deceased a long distance), the total expense caps as well as the payment limits may be exceeded.
- Special circumstances must be documented by the service provider and submitted with the application.



# Special Circumstances

DHS determines whether circumstances justify exceeding these limits on an individual case basis.



## Executor or Family

# Representative Signatures

- The application must be signed by the person representing the deceased with whom the funeral home, cemetery, or crematory is working to arrange services.
- The executor or family representative must also sign any modifications to the final bill or to the application.



# **Executor or Family Representative Signatures**

In signing the application, the executor or family representative certifies that the “Amount Available from Estate” and “Amount Available from Other Sources” represent the total funds available from the estate and other funding sources to cover the decedent’s funeral and cemetery/crematory expenses.

# Service Provider Signatures

All service providers requesting payment must sign the application.



# Service Provider Signatures

- In signing the application, the service provider certifies that:
  - The expenses represent the total actual expenses for goods and services provided, including cash advances and service fees, if applicable.
  - Funds to which the service provider is entitled to are included in the “Amount Available from Estate” and “Amount Available from Other Sources.”



# Service Provider Signatures

The “Amount Available from Estate” and “Amount Available from Other Sources” must include, but is not limited to:

- Burial trusts
- Burial insurance
- Life insurance funded burial contracts
- Burial funds designated as “exempt burial assets” during the Medicaid application process.



# Service Provider Signatures

In addition, if a life insurance policy has a face value of more than \$3,000, the amount of life insurance funds exceeding \$3,000 must be included.





## Time Limits

- DHS must receive a WFCAP application no later than the end of the 12<sup>th</sup> calendar month following the month of the decedent's date of death.
- Application adjustments made within this time frame will be considered for payment, subject to existing payment policy.



# Service Provider Appeals

- Service providers may appeal the decision of their application.
- Family members do not have appeal rights under the program.



# Service Provider Appeals

- Requests for a fair hearing must be made in writing to:
  - Division of Hearings and Appeals
  - P.O. Box 7875
  - Madison, WI 53707-7875
- Requests should not be sent to DHS.



# Service Provider Appeals

Requests for a hearing should include:

- Service provider's name, mailing address and signature
- Decedent's case number
- A brief description of the issue
- Which state agency took the action



# **Program Changes Effective October 3, 2016**



# Program Changes

Under 2015 Wisconsin Act 55, two policy changes are effective October 3, 2016, related to:

- How life insurance is considered when determining WFCAP payments
- Exemption from certain fees assessed by coroners, medical examiners, and counties



# Life Insurance

Payments will be reduced for decedents whose lives are insured for more than \$3,000.

*Wis. Stat. § 49.785(1m)(d) If the recipient, or the recipient's spouse or another person, owns a life insurance policy insuring the recipient's life and the face value of the policy is more than \$3,000, any amount that the department would be obligated to pay under sub. [\(1\)](#) shall be reduced by one dollar for every dollar by which the face value of the policy exceeds \$3,000.*



## Life Insurance

- A life insurance benefit amount of more than \$3,000 must be used to pay for the decedent's final expenses first, with WFCAP payment available only for remaining unmet amounts.
- Applies to cases where:
  - Decedent's date of death is on or after October 3, 2016, and
  - The life insurance policy was issued on or after October 3, 2016.





## Life Insurance

# Disclosure and Verification

The WFCAP application requires disclosure and verification of life insurance policies insuring the decedent's life.



# Life Insurance Verification

- Verification must include:
  - Insurance company name
  - Policy number
  - Face value
  - Issue date
- If the above is not submitted with the application, a verification checklist will be sent to the service provider, who should work with the executor or family representative to collect and submit the required verification.



## Life Insurance Reduction

- A reduction applies to WFCAP payments for life insurance policies that are more than \$3,000.
- The reduction applies proportionately to funeral and cemetery/crematory service providers based on two possible application scenarios.



# Life Insurance Reduction

## Application scenarios:

1. When funeral and cemetery/crematory expenses are submitted in **separate** WFCAP applications, the reduction is proportionate to the **total available funding** (\$2,500).
2. When funeral and cemetery/crematory expenses are submitted in a **combined** WFCAP application, the reduction is proportionate to the **total requested funding**.

# Life Insurance Reduction

Scenario 1: The reduction proportion is based on the total funding available.

## WFCAP Total Funding Available

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

\*Maximum policy limits



# Life Insurance Reduction

## Scenario 1:

- The percentages of 60/40 are a result of the total available funding by service provider type.
- These percentages will always be 60/40 when applied to the reduction method for this scenario.



# Life Insurance Reduction

Scenario 1: Example of reduction method based on a \$4,000 life insurance policy

## WFCAP Applications Submitted Separately

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



# Life Insurance Reduction

## Scenario 2:

- The reduction proportion is based on the total requested funding.
- The percentages will vary based on the amount each service provider requests.





# Life Insurance Reduction

Scenario 2: Example of reduction method based on a \$3,500 life insurance policy

## Combined WFCAP Application

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%		\$ (250)	\$ 750
Cemetery/ Crematory	\$ 1,000	50%	\$ 500	\$ (250)	\$ 750



# Life Insurance Versus Burial Assets

- A burial asset must be used to pay for the decedent's funeral, cremation, and cemetery expenses, regardless of the amount of the burial asset.
- A life insurance policy must be used to pay for the decedent's funeral, cremation, and cemetery expenses if the policy is more than \$3,000.
  - Only the amount that is more than \$3,000 must be used to pay for expenses.



# Life Insurance Versus Burial Assets

## Burial assets example:

- Total expenses charged by a funeral home are \$3,800.
- The decedent has a burial trust in the amount of \$2,000.
- In addition, the decedent's family is able to pay \$1,000 in cash toward the funeral.
- After applying the burial trust and family contribution, there is an unmet amount of \$800, for which the funeral home would qualify for WFCAP payment.



# Exemption From Certain Fees

WFCAP service providers are exempt from certain fees for WFCAP-eligible decedents.

*Wis. Stat. § 49.785(1r) A funeral home, cemetery, or crematorium that receives payment under sub. (1) shall be exempt from paying any of the following fees:*

- (a) Fees for services rendered by a coroner or medical examiner.*
- (b) Fees assessed for the signing of a death certificate by a coroner or medical examiner.*
- (c) Fees assessed by a county related to transportation services.*



# Exemption From Certain Fees

If these fees are included in a payment request for decedents with a date of death on or after October 3, 2016:

- WFCAP will deny these fees
- WFCAP will not apply these fees to the funeral or cemetery/crematory expense caps



# Notification of Program Changes

- [Service provider update](#) published on August 22, 2016.
  - Posted on the [WFCAP webpage](#)
  - Emailed to those signed up to receive [WFCAP email notifications](#)
  - Published on the Wisconsin Funeral Directors Association (WFDA) website
  - Article in the WFDA newsletter



# Notification of Program Changes

- Published on October 3, 2016, in the online WFCAP Manual.
- Service providers are encouraged to [sign up for email notifications](#) of program updates.



## Form Updates

- The following forms have been updated and will be published on October 3, 2016:
  - WFCAP Application (F-10141)
  - WFCAP Verification Checklist
  - WFCAP Notice of Decision
- Service providers must use the most current application form.





# Reminders



# Reminders

WFCAP is the payer of last resort.

- Payment is limited to unmet expenses.
- Under no circumstances should WFCAP funds be requested in order to reimburse a party that has already paid an expense.



# Reminders

The Statement of Funeral Goods and Services Selected must be an identical copy that is given to the executor or family representative, and must accurately reflect the goods and services provided and the amount charged to the decedent's family.



# Reminders

- Crematories owned by a funeral home must have a different tax ID number in order to receive a cemetery/crematory payment.
- Only funeral home, cemetery, and crematory service providers may submit applications or appeal WFCAP decisions.



# Contact Information

Wisconsin Funeral and Cemetery Aids Program

1-888-859-0611

[DHSWFCAPApplications@wi.gov](mailto:DHSWFCAPApplications@wi.gov)