

## DERMATOLOGY

### Policy

NHP reimburses participating providers for the provision of medically necessary dermatology services, including the diagnosis and treatment of skin disorders and disease.

### Prerequisites

#### Authorization, Notification and Referral

Service	Requirement
Specialty Visit (Dermatologist)	No authorization, notification or referral required
Dermatology Services/Procedures	Prior Authorization for some procedures/services, in accordance with the procedures table listed below.
Inpatient Hospital Admission	Prior Authorization Required
For HVMA Members	A referral for most specialists is required for NHP members with a Harvard Vanguard Medical Associates PCP seeking non-emergency care outside of Harvard Vanguard Medical Associates Network. Please verify that the member has the appropriate referral prior to rendering care.

*For specific procedures, please refer to the Procedure Codes Table beginning on page 5.*

### Limitations

This guideline applies to all office settings and procedures performed therein.

- NHP covers reconstructive surgery to correct or repair damage that results in functional impairment.
- NHP covers cosmetic surgery to repair congenital deformities.
- Cosmetic surgery for the sole purpose of changing or improving appearance only, such as surgery to treat acne lesions or remove tattoos is explicitly **excluded** as a covered benefit.
- Procedure codes that could be submitted for cosmetic procedures are subject to post-payment audit.
- For Commercial Members
  - NHP covers cosmetic surgery to correct or repair severe disfigurement resulting from disease or injury.

### Exceptions to Policy Criteria

The treatment of other skin or cosmetic conditions not addressed by this policy is governed by the applicable NHP policies, authorization requirements and benefits coverage in effect at the time services are rendered.

## Member Cost-Sharing

The provider is responsible for verifying at each encounter and when applicable for each day of care when the patient is hospitalized, coverage, available benefits, and member out-of-pocket costs; copayments, coinsurance, and deductible required, if any.

## Definitions

**Benign Lesion:** There are many types of benign lesions and the diagnosis can often be made by clinical examination. Those lesions for which the diagnoses are uncertain may require incisional or excisional biopsy.

**Cosmetic Procedure:** Any non-medically necessary procedure whose primary intent is to restore, improve, alter or enhance appearance and that otherwise does not meet the definition of reconstructive, or whose etiology is not exempted from the definition of cosmetic.

**Dermabrasion:** A surgical procedure that involves the controlled abrasion (wearing away) of the upper layers of the skin with sandpaper or other mechanical means, the purpose of which is to smoothen the skin and, in the process, remove small scars (as from acne), moles (nevi), tattoos or fine wrinkles.

**Dermatology:** A branch of medicine dealing with skin, its structure, functions, and diseases.

**Functional Impairment:** The state wherein the special, normal or proper action of a body part or organ is damaged. If the skin condition is responsible for a discrete loss of function in another system, for permanent impairment of the skin, consideration must be given to the pattern of the signs and symptoms of the skin condition. When assessing a permanent impairment of the skin, the functional loss includes disfigurement. Skin conditions with complications of severe systemic or life threatening infections are rated on individual merits. The presence or absence of a functional impairment is an important point in interpreting the concept of reconstructive versus cosmetic procedures.

**Hemangioma:** Abnormal collection of blood vessels

**Keloids:** Abnormal scars remaining from previous surgery or trauma

**Laser (Light Amplification by Stimulated Emission of Radiation):** An instrument for producing orderly beams of intense light of one color that can be concentrated to either cut, burn or seal off tissue.

**Malignant Lesions:** The three most common malignancies seen are basal cell carcinoma, squamous cell carcinoma and melanoma. Other rare cutaneous and subcutaneous malignancies are also seen.

**Neoplasm:** A tumor, an abnormal growth of tissue. The word neoplasm is not synonymous with cancer. A neoplasm may be benign or malignant

**Photochemotherapy (PUVA):** In some difficult to treat skin disorders, ultraviolet light is prescribed as therapy. To make the skin more sensitive to ultraviolet rays, a pill, "psoralen" is often taken. Once absorbed into the body, the skin cells are more susceptible to Ultraviolet-A (UV-A) light. The combination of the psoralen pill and UV-A light is called photochemotherapy.

**Photodynamic therapy:** A form of cancer treatment using a photosensitizing agent administered intravenously which concentrates selectively in tumor cells, followed by exposure

of the tumor tissue to a special red laser light, in order to destroy as much of the tumor as possible.

**Port Wine Stain:** Congenital capillary malformation

**Pre-malignant Lesion:** A pre-malignant lesion, given time, may become malignant. Examples of pre-malignant lesions include dysplastic nevi, giant congenital nevi, nevus sebaceous, and actinic keratosis.

**Reconstructive Procedure:** A service primarily indicated to improve or correct a functional impairment or primarily improve appearance, dependent on the etiology of the defect (congenital anomaly, developmental abnormalities, anatomic variant, post-traumatic, post-therapeutic intervention or disease process including infection or tumors). Therapeutic interventions may include chemotherapy, radiation and surgery.

**Skin Lesion:** A superficial growth or patch of skin that does not resemble the surrounding area. Primary lesions are physical changes in the skin considered to be caused directly by the disease process. Types of primary lesions are rarely specific to a single disease entity. Secondary lesions may evolve from primary lesions, or may be caused by external forces such as scratching, trauma, infection, or the healing process. The distinction between a primary and secondary lesion is not always clear. Not only is the appearance of lesions important, but the pattern and distribution on the skin is as well.

**Skin Tags:** Cutaneous skin tags are skin problems involving small, generally benign skin growths that occur most often after midlife and are usually not bothersome. The tags stick out of the skin, and may have a small narrow stalk connecting the skin bump to the surface of the skin. Cutaneous skin tags are more common in people who are overweight or who have diabetes. They are thought to occur from skin rubbing against skin, so skin folds are a common location.

**Vitiligo:** A condition in which pigment cells are destroyed resulting in irregularly shaped white patches on the skin.

### Indications for Skin Lesion Removal

Removal of a skin lesion *may be* considered medically necessary when the following diagnoses or conditions are present:

Diagnosis	ICD-9 Code
Melanoma: malignant melanoma of skin	172.0 – 172.9
Other malignant neoplasm of skin	173.0-173.9
Carcinoma in situ of the skin	232.0-232.7
Benign lesions of the skin:	
• Lipoma	214.0-214.1
• Benign neoplasm of skin	216.0-216.9
• Hemangioma	228.01
• Sebaceous cysts	706.2
Skin neoplasms of uncertain behavior	238.2
Actinic keratosis	702.0
Changing Lesions, including:	782.9
• Enlarging or changing colors	
• Dyschromia (Abnormal pigmentation)	
• Obstructing an orifice	
• Restricting vision	

<ul style="list-style-type: none"> <li>• Chronically irritated with evidence of: <ul style="list-style-type: none"> <li>○ Inflammation</li> <li>○ Purulence</li> <li>○ Oozing</li> <li>○ Edema</li> <li>○ Erythema</li> </ul> </li> </ul>	
Bleeding	459.0
Painful	782.0
Itching	698.9
History of: <ul style="list-style-type: none"> <li>• Previous skin malignancy or pre-malignancy</li> <li>• Previously infected lesion</li> <li>• Previous exposure to radiation</li> <li>• Family history of skin malignancy</li> <li>• Removal for cosmetic reasons BUT the path report indicated malignancy or pre-malignancy</li> </ul>	V10.82-3 V13.3 V12.09 V15.3 V16.8

### Indications for Skin Tag Removal

Removal of a skin tag may be medically necessary, and not cosmetic if one or more of the following conditions is present and clearly documented:

- Chronic, recurrent or persistent bleeding, intense itching, and /or pain
- Physical evidence of inflammation, e.g.; purulence (containing pus), oozing, edema, erythema (redness)
- Obstructs an orifice or clinically restricts vision
- There is a clinical uncertainty as to the likely diagnosis, particularly where malignancy (cancer) is a realistic consideration based on the appearance
- The skin tag is in an anatomical region subject to recurrent physical trauma and that such trauma has, in fact, occurred
- Preauricular skin tags containing both skin and cartilage

### Neighborhood Health Plan Reimburses

- Lesion excision when performed for other than cosmetic indications, and meeting the criteria set forth in the above table: Indications for Skin Lesion Removal.
- The diagnosis and medically necessary treatment of skin disorders and disease.
- Photodynamic therapy to destroy pre-malignant and/or malignant lesions by activation of photosensitive drugs.
- Mohs micrographic surgery to remove complex and/or ill- defined cancer of the skin.
- Actinotherapy, photochemotherapy and laser therapy for inflammatory diseases of the skin
- Wound repair and closures.
- Surgery to correct or repair severe disfigurement *to restore physical function* resulting from disease or *accidental* injury. (Commercial members, only).
- Surgery to correct or repair damage *to restore physical function* following an *accidental* injury or illness that occurred while an enrollee of NHP (MassHealth members only).

### Neighborhood Health Plan Does Not Reimburse

- Dermatological procedures performed primarily for psychological or emotional reasons.

- Cosmetic surgery which primary purpose is to improve, alter or enhance appearance and that otherwise does not meet the definition of reconstructive.
- Surgery to treat acne lesions.
- Surgery to remove tattoos.
- Anesthesia provided by the physician or dermatologist performing the procedure, including conscious sedation.
- Miscellaneous supplies and materials provided by the physician over and above those usually included with the office visit or other service rendered.
- Separately or additionally for the use of a device, including but not limited to the MelaFind device for detecting skin cancer.

### Procedure Codes Applicable To Guideline

*Note: This list of codes may not be all-inclusive.*

Code or Range	Descriptor	Status	Comments
10040	Acne surgery	Not a covered benefit	
11100-	Biopsy, skin lesion	No authorization required	Bill with a count of one
11101	Biopsy, skin lesion, each additional		Bill on one line with a count representing the number of additional lesions biopsied
11200-	Removal of skin tags, up to and including <b>15</b> lesions		Bill with a count of one Refer to criteria : Indications for Skin Tag Removal listed in table above
11201	Removal of skin tags, each additional <b>10</b> lesions		Bill on one line with a count of <b>one</b> for each additional 10 lesions removed
11300-11313	Shaving for epidermal and dermal layers		Choose appropriate code by lesion size
11400-11446	Excisions and simple closure, benign lesions		
11600-11646	Excision, malignant lesions		
11900-11901	Injection into skin lesions		
11920-11922	Tattooing		Only covered as a component of breast reconstruction surgery
11950-11954	Subcutaneous injection of filling material (E.g. collagen)	Not a covered benefit	
12001-12018	Repair superficial (simple) wound(s)	No authorization required	When multiple wounds are repaired within the same classification (simple, intermediate or complex) and the same anatomic location, measure in cm, and add the lengths, reporting a single CPT code.
12031-12057	Intermediate wound repair, including layered closure		
13100-13153	Repair of complex wound or lesion requiring more than layered closure		
14000-14061	Adjacent tissue transfer or rearrangement		
15050-15121	Split thickness skin graft		
15775-15776	Hair transplant punch grafts		

		benefit	
15780-15782	Dermabrasion treatment of skin	Prior authorization required	
15783	Superficial dermabrasion, any site (E.g. for tattoo removal)	Not a covered benefit	
15786-15787	Abrasion, lesion (E.g. keratosis, scar)		
15788-15793	Chemical peel		
15819	Plastic surgery, neck		
15820	Revision of lower eyelid		
15821-15823	Revision of eyelid	Prior authorization required	
15824-15829	Rhytidectomy	Not a covered benefit	
15876, 15878-15879	Suction assisted lipectomy		
17000, 17003-17004	Destruct premalignant lesion(s) by any method, including laser, with or without surgical curettage	No authorization required	
17106-17108	Destruct cutaneous vascular proliferative lesions	Prior authorization required	
17110-17111	Destruct benign lesion(s) other than skin tags or cutaneous vascular proliferative lesions	No authorization required	
17340	Cryotherapy for acne	Not a covered benefit	
17360	Skin peel therapy for acne		
17380	Hair removal by electrolysis		
96567	Photodynamic therapy by external application of light	No authorization required	Reimbursed when reported with one of the following diagnoses, only: <ul style="list-style-type: none"> <li>• 702.0</li> <li>• 173.0 – 173.9</li> <li>• 232.0 – 232.9</li> </ul> All other diagnosis will be denied as not a covered benefit.
96570 -96571	Photodynamic therapy by endoscopic application of light		
96900	Ultraviolet light therapy (Actinotherapy)		Covered for medically necessary covered services
96910	Photochemotherapy with UV-B	Prior Authorization Required	
96912-96913	Photochemotherapy (PUVA)		
96920-96922	Laser treatment for inflammatory skin disease		

### Provider Payment Guidelines and Documentation

The medical record should support the medical necessity and frequency of each dermatological treatment.

The medical record should clearly document the patient’s symptoms and specific physical findings (bleeding, intense itching, pain, purulence, oozing, erythema) that justify removal of a benign lesion.

## Related NHP Guidelines

NHP Prior Authorization Guidelines

## References

American Society of Plastic Surgeons (ASPS) Recommended Insurance Coverage Criteria for Third-Party Payers

National Library of Medicine, National Institute of Health, MedlinePlus Medical Encyclopedia

Commonwealth of Massachusetts, MassHealth Provider Manual Series, Physician Manual, PHY-130, Chapter 6, Service Codes, 03/01/2011

Local Coverage Determination, NHIC, Corp., # L3186, R17, Removal of Skin Lesions; May 12, 2011

## Publication History

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<i>January 20, 2010</i>	<i>Original documentation</i>
<i>March 2, 2010</i>	<i>Revised</i>
<i>November 23, 2010</i>	<i>Revised to add status column in procedure codes table. Disclaimer revised.</i>
<i>November 1, 2011</i>	<i>Referral, authorization and notification table updated; limitations, exceptions, procedure code table, diagnosis codes, non coverage of MelaFind, related guidelines, and references updated</i>
<i>April 17, 2012</i>	<i>Annual review, Auth Grid and Limitations updated.</i>

This document is designed for informational purposes only. Claims payment is subject to member eligibility and benefits on the date of service, coordination of benefits, referral/authorization/notification and utilization management guidelines when applicable, adherence to plan policies and procedures, claims editing logic, and provider contractual agreement. In the event of a conflict between this payment guideline and the provider’s agreement, the terms and conditions of the provider’s agreement shall prevail. Neighborhood Health Plan utilizes McKesson’s claims editing software, ClaimCheck, a clinically oriented, automated program that identifies the “appropriate set” of procedures eligible for provider reimbursement by analyzing the current and historical procedure codes billed on a single date of service and/or multiple dates of service, and also audits across dates of service to identify the unbundling of pre and post-operative care. Please refer to Neighborhood Health Plan’s Provider Manual Billing Guidelines section for additional information on NHP’s billing guidelines and administration policies. Questions may be directed to Provider Network Management at [prweb@nhp.org](mailto:prweb@nhp.org)