

## Payment Policy | Benign Skin Lesions and Viral Infectious Lesion Removal



**EFFECTIVE DATE:** 09|01|2019

**POLICY LAST UPDATED:** 04|06|2022

### OVERVIEW

This policy documents that coverage is only provided for removal of symptomatic lesions.

### PRIOR AUTHORIZATION

Not applicable

### POLICY STATEMENT

#### Medicare Advantage Plans

Removal of benign skin lesions, including skin tags, are covered when signs or symptoms which warrant medical intervention are present.

If the procedure is cosmetic in nature, the claim should be filed with the following diagnosis Z41.1. This will ensure that the claim will deny as not covered.

The decision to submit a specimen for pathologic interpretation will be independent of the decision to remove or not remove the lesion. It is assumed, however, that a tissue diagnosis will be a part of the medical record when an ultimately benign lesion is removed based on physician uncertainty as to the final clinical diagnosis.

#### Commercial Products

**Symptomatic** benign skin lesions including subcutaneous tissue, lesion removal/treatment is a covered service. If the procedure is cosmetic in nature, the claim should be filed with the following diagnosis Z41.1.

Skin tag removal is considered to be cosmetic and is not covered.

The decision to submit a specimen for pathologic interpretation will be independent of the decision to remove or not remove the lesion. It is assumed, however, that a tissue diagnosis will be a part of the medical record when an ultimately benign lesion is removed based on physician uncertainty as to the final clinical diagnosis.

### MEDICAL CRITERIA

None

### BACKGROUND

Benign skin lesions are common and are frequently removed at the patient's request to improve appearance. Removal of certain asymptomatic benign skin lesions that do not pose a threat to health or function are considered cosmetic and as such are not covered and considered contract exclusions.

Benign skin lesions include, but are not limited to, seborrheic keratosis and sebaceous (epidermoid) cysts. Other skin lesions include, but are not limited to, viral infectious lesions, i.e., condylomata, papillomata, molluscum contagiosum, herpetic lesions, warts (e.g., common, plantar, flat), milia, or other benign, premalignant (e.g., actinic keratosis), or malignant lesions.

Skin lesion removal/treatment can be accomplished using various methods—excision, paring, curettage, ablative destruction and shaving:

- Excision is defined as full-thickness (through the dermis) removal of a lesion, including margins, and includes simple (non-layered) closure when performed.
- Paring involves cutting off the outer coating, layer, or part of a lesion.
- Curettage is a surgical scraping or cleaning by means of a curette.
- Destruction involves the ablation of benign, premalignant or malignant tissues by any method; electrosurgery, cryosurgery, laser and chemical treatment, with or without curettage, including local anesthesia, and not usually requiring closure.
- Shaving involves taking a thin slice off the top of the skin. It is also used to remove superficial abnormal areas.

There may be instances when the removal of skin lesions is not cosmetic. Removal of these non-cosmetic skin lesions is typically performed when the following conditions are present and clearly documented in the member's medical record:

- The lesion has one or more of the following characteristics: bleeding; intense itching or pain, sudden enlargement (over a 1-month observation).
- The lesion has physical evidence of inflammation, (e.g., purulence, ulceration, oozing, edema or erythema etc.).
- The lesion obstructs an orifice or restricts vision.
- There is clinical uncertainty as to the likely diagnosis, particularly where malignancy is a realistic condition based on lesion appearance.
- A prior biopsy suggests or is indicative of lesion malignancy.
- The lesion is an anatomical region subject to recurrent physical trauma and there is documentation that such trauma has, in fact, occurred.

In addition, wart destruction is typically performed when the following clinical circumstances are present:

- Periocular warts associated with chronic recurrent conjunctivitis thought secondary to lesion virus shedding.
- Warts showing evidence of spread from one body area to another, particularly in immunosuppressed patients.
- Other infections (e.g., molluscum) or any other condition in which wart removal is not cosmetic.

## **COVERAGE**

Benefits may vary between groups and contracts. Please refer to the appropriate Benefit Booklet, Evidence of Coverage or Subscriber Agreement for applicable surgery or non-covered benefits/coverage.

## **CODING**

### **Medicare Advantage Plans and Commercial Products**

If the procedure is cosmetic in nature, the claim should be filed with the following diagnosis **Z41.1**. This will ensure that the claim will deny as not covered.

### **Commercial Products**

The following skin tag removal codes are considered cosmetic and not covered:

**11200** Removal of skin tags, multiple fibrocutaneous tags, any area; up to and including 15 lesions

**11201** Removal of skin tags, multiple fibrocutaneous tags, any area; each additional 10 lesions, or part thereof

## **RELATED POLICIES**

Cosmetic Services/Procedures

## **PUBLISHED**

Provider Update, June 2022

Provider Update, April 2021

Provider Update, May 2020

Provider Update, November 2019

Provider Update, June 2018

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