Dermatology Coding Alert

Chemical Peels: 15788-15793 Survival: Diagnosis, Documentation Key to Successful AK Treatment Coding

Applying the right CPT® code in the right circumstance is critical.

Expert dermatology coders know that chemical peels can be used for far more than cosmetic treatments. But if you're having trouble receiving payment, you're not alone.

The key to avoiding denied claims? Get to know the applicable CPT® and ICD-9 codes and look for these details in your dermatologist's documentation.

Familiarize Yourself With Valid CPT® Codes

Peels have come a long way, with different methods of application yielding different results ranging from mild erythema to a complete shedding of the stratum corneum. That means you've got to make certain to apply the right CPT® code in the right circumstance.

The procedure of chemical peeling refers to a controlled removal of varying layers of the epidermis and superficial dermis with the use of a "wounding" agent, such as phenol or trichloroacetic acid (TCA), say experts. Although it is commonly used to treat photoaged skin, (e.g., correcting pigmentation abnormalities, solar elastosis, and wrinkles), chemical peeling has also been used as a treatment for multiple actinic keratoses when treatment of individual lesions is not doable. Experts dub laser resurfacing and chemical peel with trichloroacetic acid as highly safe with limited morbidity.

Codes 15788 (Chemical peel, facial; epidermal) and 15789 (Chemical peel, facial; dermal) both pertain to facial areas, while 15792 (Chemical peel, non-facial; epidermal) and 15793 (Chemical peel, non-facial; dermal) describe non-facial areas.

You might also be tempted to report 17360 (Chemical exfoliation for acne [e.g., acne paste, acid]), but this would be incorrect coding for AK treatment, warns **Pamela Biffle, CPC, CPC-P, CPC-I, CCS-P, CHCC, CHCO,** owner of PB Healthcare Consulting and Education Inc. in Austin, Texas. You should also avoid the more general codes 17000-17004 (Destruction of premalignant lesions), which pertain to destruction by any method, as guidelines require you use the most specific code, she says.

Watch Out for These Diagnosis Mistakes

If you receive a denial, check whether your dermatologist administered chemical peel treatment for the purpose of necessity or cosmetic reasons. Important: You should always code the diagnosis your physician provides for the chemical peel.

For instance, suppose the dermatologist did the chemical peel for actinic keratoses (702.0). Did you accidentally report 702.19 (Other seborrheic keratosis), which represents non-symptomatic seborrheic keratosis? CMS considers the removal of 702.19 as cosmetic unless the growth is bleeding, painful, intensely itchy, purulent, or impairs the patient's function in some other way.

On the other hand, "actinic keratoses (AK) are precancerous and always medically necessary. Because there are non-surgical treatments for AK, there may be coverage decisions based on the type of treatment rather than the diagnosis, as is often seen," says Biffle.

For instance, dermatologists may treat AK using cryosurgery with liquid nitrogen, topical drug therapy, and curettage. Just the same, Medicare accepts less-popular methods of treatment, including dermabrasion, excision, laser therapy, photodynamic therapy (PDT), and chemical peels, although you should review your local carrier's policies, Biffle says.

Complete Your Report on AK to the Last Detail

Your dermatologist can document the destruction of actinic keratoses in a number of ways -- but if it's incomplete, then that can lead to coding mistakes. Physicians commonly use diagrams enclosed in their progress notes where they can freely mark the body parts where AK is located. Then, they indicate whether they removed the AK or not in the assessment report.

Imperative: Make sure that your dermatologist indicates medical necessity for this procedure in his operative report. Medical necessity should be met in order for you to charge this procedure. Without it, it will be denied, say experts. Also, your dermatologist shouldn't forget to document where on a patient's body the AKs are located, as well as the exact number treated.

Cover Your Bases by Explaining Coverage

Don't be caught holding the bag if the patient's payer does not reimburse chemical peel treatments. Explain to the patient, prior to therapy, that there is no guarantee of insurance coverage until after the health plan reviews the claim. If the physician feels strongly that it is a treatment for a premalignant condition -- such as actinic keratoses -- then waiting for the health plan reimbursement may be appropriate, depending on practice policy.

Fallback: If you're not sure that your claim is solid, have the patient sign a waiver of benefits (advanced beneficiary notice or ABN) prior to having the service. That way, the patient pays at the time the dermatologist performs the service.

How an ABN works: Submit the claim with the appropriate ABN modifier and wait for possible consideration. If the payer reimburses the claim, your practice would then owe the patient a refund. If the payer denies the claim, you'll have your ABN to protect your right to keep the patient's payment.

The ABN modifiers include:

- GA (Waiver of liability statement on file) indicates the provider expects Medicare will deny a service as not reasonable and necessary and that the beneficiary has signed an ABN that is on file;
- GY (Item or service statutorily excluded or does not meet the definition of any Medicare benefit) indicates the service provided to the beneficiary is statutorily noncovered and not a Medicare benefit;
- GZ (Item or service expected to be denied as not reasonable and necessary) indicates the provider expects Medicare will deny a service as not reasonable and necessary and the beneficiary has not signed the ABN.