

Dermatology Coding Alert

Lesions: Excision Confusion Could Cost Your Practice \$100

Smooth out these common myths you may encounter while coding for lesion procedures.

In most dermatology practices, lesions are as common as April showers. Could one of these misconceptions be costing your practice nearly \$100 per procedure? Read on to excise the truth behind these persistent lesion removal myths.

Myth: You can automatically report an E/M code along with the procedure for a referral for a specific lesion removal.

Reality: Not always. For instance, if the dermatologist can identify a lesion by simple exam, you would report only the excision.

Scenario 1: A family physician (FP) refers a patient to your dermatologist for excision of a "mole" on the patient's left cheek. The dermatologist suspects that the mole is a small basal cell carcinoma (which is later confirmed by pathology). She performs an excision to remove the lesion, which measures 0.9 cm with margins, in the office. She then closes the wound via simple repair and releases the patient.

How to code: In this case, you would probably report the excision alone (11641, Excision, malignant lesion including margins, face, ears, eyelids, nose, lips; excised diameter 0.6 to 1.0 cm).

Because the referral was for specific removal, there is no billable E/M service, especially if the dermatologist can identify the lesion by simple exam.

The bottom line: All procedures include a minimal E/M, so unless the dermatologist can provide documentation for a significant, separately identifiable E/M service above and beyond that usually included in the excision, you are limited to reporting the excision only.

However, if the excision requires more of an examination by the dermatologist, you may be justified in reporting an E/M code.

Scenario 2: The FP refers the patient to the dermatologist for a skin lesion review. This time, the dermatologist views the lesion as potentially more serious and not diagnosable by simple exam.

The dermatologist performs a thorough exam and biopsy to determine the nature of the lesion. The biopsy returns positive for malignancy, and the dermatologist schedules the patient for excision at a later date in the operating room.

How to code: First, you should report the biopsy (11100, Biopsy of skin, subcutaneous tissue and/or mucous membrane [including simple closure], unless otherwise listed; single lesion).

In this case, if the dermatologist documents a significant, separately identifiable E/M service, you can report an E/M code based on the documentation (for example, 99203, Office or other outpatient visit for the evaluation and management of a new patient ...), says **Pamela Biffle, CPC, CPC-P, CPC-I, CPCO**, owner of PB Healthcare Consulting and Education Inc. in Austin, Texas. This was not a simple evaluation; the dermatologist had to spend considerable time with the patient.

You should append modifier 25 (Significant, separately identifiable evaluation and management service by the same physician on the same day of the procedure or other service) to the E/M code to distinguish the E/M service as significantly above that included with the biopsy.

On the later date of the excision, you will report the excision (e.g., 11644, ... excised diameter 3.1 to 4.0 cm), as well as any allowable wound repair (e.g., 12052, Repair, intermediate, wounds of face, ears, eyelids, nose, lips and/or mucous membranes; 2.6 cm to 5.0 cm).

Myth: The ordering of pathology automatically means you should report a biopsy code.

Reality: While it's true that biopsies generally end in pathology analysis, your dermatologist will also typically request a path report for an excised specimen.

If your dermatologist doesn't document whether he removed part or all of a lesion, consider the dimensions of the incision to decide between biopsy and excision.

Example 1: A patient presents to your office with a dark brown, multicolored, irregular-shaped 4-mm lesion on his exterior lower lip. The dermatologist removes five millimeters of tissue to full thickness. The path report later determines that the lesion was malignant.

Answer: You should report the procedure as an excision and code 11640 (Excision, malignant lesion including margins, face, ears, eyelids, nose, lips; excised diameter 0.5 cm or less). Reason: The dimensions of the removed tissue indicate that the surgeon removed the entire lesion to full thickness, along with a margin of healthy tissue.

Cost: You'd be losing out on nearly \$100 if you incorrectly coded this procedure as a biopsy with 11100 (Biopsy of skin, subcutaneous tissue and/or mucous membrane [including simple closure], unless otherwise listed; single lesion). Based on the 2015 physician fee schedule, the 5.65 relative value units (RVUs) for 11640 will yield an average nonfacility payment of \$202.01. But with 2.92 RVUs, the biopsy code results in an average payment of \$104.40.

Myth: It doesn't matter whether you measure the lesion before or after you get it back from pathology.

Reality: It can matter a great deal. Be sure to make the measurement before the dermatologist removes the lesion, or before it is placed in the specimen bottle. Do not report [lesion and margin] size from the pathology report, experts say. The sample you send to pathology will inevitably be larger than the one you get back, because it shrinks in the solution the specimen is placed in,. And a couple tenths of a centimeter can cost the coder half a hundred bucks.

Example: The dermatologist excises a lesion from a patient's scalp; the lesion size, including margins, is 1.1 cm. The coder counts only lesion size, however, so she reports 11420 (Excision, benign lesion including margins, except skin tag [unless listed elsewhere], scalp, neck, hands, feet, genitalia; excised diameter 0.5 cm or less) when she should have reported 11422 (... excised diameter 1.1 to 2.0 cm).

Fallout: The 11420 code pays about \$123 (3.46 transitioned non-facility relative value units [RVUs] multiplied by the 2012 Medicare conversion rate of 35.7547). Conversely, 11422 brings in about \$177 (4.96 RVUs multiplied by 35.7547)