Dermatology Coding Alert

Musculoskeletal Codes Open Up Lipoma Excision Coding Options

For procedures that go deeper than the skin, consider something more than 11100

When your dermatologist performs lesion excisions, don\'t forget the musculoskeletal codes or you could seriously undercut your reimbursement for these procedures.

Look to Depth to Justify the Best Excision Code

When you report lipoma (fatty tumor) removal, consider reporting either the codes for benign lesion excision (11400-11471) or the codes for musculoskeletal soft-tissue excision.

Don\'t forget: Your code choice depends on the depth of the excision and the specificity of the dermatologist\'s documentation, says **Jeffrey Weinberg, MD,** director of the Clinical Research Center, Department of Dermatology at St. Luke\'s-Roosevelt Hospital Center in New York City.

If the dermatologist\'s incision does not go deeper than the fascia, you are correct to choose an appropriate code from CPT\'s \"Integumentary System\" section (codes 11400-11471).

Example: If the dermatologist\'s documentation specifies \"Full-thickness excision of 2.5-cm lesion (with margins) from left shoulder with simple closure,\" the appropriate code choice is 11403 (Excision, benign lesion including margins, except skin tag [unless listed elsewhere], trunk, arms or legs; excised diameter 2.1 to 3.0 cm).

In this case, both the term \"full-thickness\" (that is, \"through the dermis\") and \"simple closure\" should tip you off that the required incision was not very deep.

Tip: If your dermatologists often forget about the musculoskeletal codes, you can help them remember by including a list of the codes according to anatomic area on your encounter form to jog their memory, says **Patricia Tinker, CPC**, clinical practice manager in the department of dermatology at Yale University School of Medicine in New Haven, Conn.

Incision Isn\'t Always Only Skin Deep

If the incision goes deeper than the fascia, the lipoma removal is not just superficial, and the musculoskeletal codes are more appropriate, Weinberg says.

Your dermatologist\'s documentation must be explicit to support the use of these codes and should specifically note the depth of the incision (\"past the fascia\").

Example: If the dermatologist\'s documentation notes a subcutaneous tumor with incision depth to at least the fascia, you may report **CPT 23075** (Excision, soft-tissue tumor, shoulder area; subcutaneous) for removal of lipoma (fatty tumor). This code will pay you about $190.

For even deeper incisions (subfascial or intramuscular), you may choose 23076 (Excision, soft-tissue tumor, shoulder area; deep, subfascial, or intramuscular), Weinberg says, which reimburses almost $550.

Another example: The dermatologist notes that he excised a subcutaneous tumor from the patient\'s neck. In this instance, the specification of \"subcutaneous\" immediately informs your code choice of 21555 (Excision, tumor, soft tissue of neck or thorax; subcutaneous) over code 11100 (Biopsy of skin, subcutaneous tissue and/or mucous membrane [including simple closure], unless otherwise listed; single lesion).

Bottom line: In these cases, you should not consider the size of the lipoma or the excision, as you would when reporting the integumentary codes.

Red flag: You may not report the musculoskeletal codes because a lipoma reaches a certain size (for instance, more than 5 cm). With musculoskeletal codes, you should only look to the depth of the incision, not the size of the tumor.

Bonus: When you report a musculoskeletal code, tell the payer that the dermatologist performed a subcutaneous excision and that the condition required the dermatologist to perform a more complicated procedure.

Result: The dermatologist deserves more pay for the higher level of complexity of these deep excisions.

Exceptional Cases Deserve Exceptional Solutions

Though musculoskeletal codes offer increased pay for more complicated, deeper excisions, some exceptions may apply, says **Lisa Center**, coding expert in Pittsburgh, Kan.

Example: A patient presents to your practice with a 2-cm lipoma on his forehead that appears to lie under the frontalis muscle.

Take note: If your dermatologist performs a lipoma excision in the flank, you should report 21930 (Excision, tumor, soft tissue of back or flank) because lipomas typically develop in the subcutaneous tissue beneath the skin. Code 21930 will pay you about $420.

However, this general principle does not apply to lipomas on the face or forehead because in such instances the skin is so close to the bone, Center says.

For the instance above, the only musculoskeletal excision code for the face, other than those involving bone, is 21015 (Radical resection of tumor [e.g., malignant neoplasm], soft tissue of face or scalp). But because the dermatologist did not perform a radical resection, you should not report 21015.

Therefore, you should bill 11442 (Excision of benign lesion, face) for the lipoma excision on the patient\'s forehead, which will pay you $170. Though the reimbursement amount is undeniably less, you should only report the code that best describes what is documented in your dermatologist\'s notes, experts says.