

Dermatology Coding Alert

You Be The Coder: Removal of Benign Lesions

Question: Recently, our practice has been getting more denials for the removal of benign skin lesions, and I'm not completely sure why. What guidelines should we follow?

Virginia Subscriber

Answer: Many insurance companies question the "medical necessity" of benign lesion removal. Many times, the request is for cosmetic reasons, so without documentation indicating the medical reason to remove a lesion, the insurance company denies the request. However, in many cases, the patient's insurance policy does not cover the denial (i.e., a "noncovered" denial) and then she may need to pay for the expense out-of-pocket.

Check your local reimbursement guidelines for E/M services. Most states have detailed explanations of what to do to get paid, and what procedures are and are not included in reimbursable services. Find out if the insurance company requires a waiver to be signed. If so, create a waiver for your payer based on Medicare's advance beneficiary notice (ABN) form, and bill the patient for the removals.