I. POLICY/Criteria

A. Evaluation (up to two office visits per contract year) only is a covered benefit for the following skin conditions associated with the listed codes and all subgroups within these major coding groups:

- L84 Corns and callosities
- L63.0 – L63.9 Alopecia areata
- L64.0 – L64.9 Androgenic alopecia
- L65.0 – L65.9 Other nonscarring hair loss
- L66.0 – L66.9 Cicatricial alopecia [scarring hair loss]
- L57.3 Poikiloderma of Civatte
- L81.0 – L81.9 Other disorders of pigmentation
- L95.8 Other vasculitis limited to the skin
- L95.9 Vasculitis limited to the skin, unspecified
- L98.8 Other specified disorders of the skin and subcutaneous tissue
- L98.9 Disorder of the skin and subcutaneous tissue, unspecified

B. Suspicious Lesions
From Principles of CPT Coding: “When an excised lesion is a neoplasm of uncertain morphology (i.e. benign vs. malignant), choosing the correct CPT code relates to the manner in which the lesion was approached rather than the final pathologic diagnosis, since the CPT code should reflect the knowledge, skill, time, and effort that the physician invested in the excision of the lesion. Therefore, an ambiguous but low-suspicion lesion might be excised with minimal surrounding grossly normal skin/soft tissue margins, as for benign lesion codes. An ambiguous but moderate-to high-suspicion lesion would be excised with moderate to wide surrounding grossly normal skin/soft tissue margins as for malignant lesions codes.”
C. Treatment of Skin Conditions

1. Treatment of cosmetic skin conditions (including but not limited to those listed above) is not a covered benefit. Priority Health defines cosmetic as any condition which if left untreated will result in no adverse medical outcome.

2. PUVA and UVB Therapy:
   a. Phototherapy and photochemotherapy is medically necessary when there has been a failure, intolerance or contraindication to treatment using conventional medical management for ANY of the following medical conditions:
      i. atopic dermatitis (atopic eczema)
      ii. connective tissue diseases involving the skin (e.g., cutaneous graft vs. host disease [GVHD], localized scleroderma, lupus erythematosus)
      iii. cutaneous T-cell lymphoma (CTCL), including mycosis fungoides (MF)
      iv. lichen planus
      v. photodermatoses (e.g., polymorphic light eruption, actinic prurigo, chronic actinic dermatitis)
      vi. chronic plaque psoriasis
      vii. pityriasis
      viii. Grover's disease (transient and persistent acantholytic dermatosis)

     Phototherapy includes type A ultraviolet (UVA) radiation; type B ultraviolet (UVB) phototherapy; and combination UVA/UVB phototherapy. Photochemotherapy includes psoralens (P) and type A ultraviolet (UVA) radiation, known as PUVA photochemotherapy and combinations of P/UVA/UVB.

   b. PUVA and UVB therapy to treat hair loss (Alopecia Areata) is a cosmetic treatment and is not a covered benefit.

3. Treatment of Psoriasis
   Conventional treatment may be divided into the following six categories:

   a. Topical treatments may include:
      i. Corticosteroids
      ii. Calcipotriene
      iii. Retinoids
      iv. Coal Tar
      v. Anthralin or tazarotene
      vi. Salicylic Acid
      vii. Topical Immodulators (TIMs)
      viii. Bath Solutions
ix. Moisturizers

b. Light Therapy:
   Natural ultraviolet light from the sun and controlled delivery of
   artificial ultraviolet light are used in treating psoriasis. Light therapies
   may include the following:
   i. Sunlight
   ii. Ultraviolet B (UVB) Phototherapy
   iii. Psoralen and Ultraviolet A Phototherapy (PUVA)
   iv. Light Therapy combined with other therapies

c. Systemic Treatment may include the following:
   i. Methotrexate
   ii. Retinoids
   iii. Cyclosporine
   iv. Mycophenolate mofetil
   v. Sulfasalazine
   vi. Azathiprine (Imuran)
   vii. Tacrolimus
   viii. 6-Thioguanine (not FDA approved for the treatment of
        plaque psoriasis)
   ix. Hydroxyurea (Hydrea)
   x. Biologic Response Modifiers
   xi. Antibiotics

d. Combination Therapy
   i. Photochemotherapy
   ii. Phototherapy + topicals (tar, calcipotriene, retinoids)
   iii. Retinoids + UV
   iv. Biologics + UV, Biologics + Systemics

e. Intralesional Injections of Steroids
   Intralesional injections of steroids are reserved for local lesions that
   have been resistant to topical applications.

f. Laser Therapy
   i. Laser therapy has been used to treat localized lesions of
      plaque psoriasis that have been unresponsive to conventional
      treatment methods.
   ii. Although the excimer laser appears most efficacious, there is
       a subset of patients that do respond to the pulsed dye laser
       (PDL). Long-term remission (one year) is achievable with
       both lasers.
4. Coverage of Treatment for Psoriasis
   a. **Phototherapy (UVB) treatment for psoriasis** is a covered benefit when all of the following apply:
      i. Severe disabling psoriasis (≥10% of body) unresponsive to conventional treatment (see 3 above).
      ii. Ordered and managed by a dermatologist.

   b. **Home phototherapy (UVB) treatment for psoriasis** is covered under the DME benefit when all of the following apply*:
      i. Severe disabling psoriasis (≥10% of body) unresponsive to conventional treatment (see 3 above).
      ii. Patient is unable to travel for treatment.
      iii. Ordered and managed by a dermatologist.

      *Additional consideration for home therapy may be made if the treatment has been continuous and long term, > 1 year in duration, has been shown to be effective for the member and is expected to continue long term. **Note:** criteria i. and iii. above must be met for consideration.

   **Medicaid members:** Home phototherapy is not a covered benefit for Medicaid.

   c. **Home tanning beds** are not a covered benefit.

   d. **Laser therapy for psoriasis** is a covered benefit as follows:
      Coverage is provided for use of excimer laser therapy (i.e., 308 nanometer [nm]) or the flashlamp-pumped pulsed dye laser (FLPDL) for the treatment of adult patients when they meet all of the following criteria:
      i. Treatment is for localized, symptomatic psoriasis (ICD-9 codes 696.1) of the hands, feet, knees, elbows, scalp or face.
      ii. Patients with chronic, stable, localized, mild to moderate plaque psoriasis.
      iii. Those with < 10 % body surface area (BSA) involvement of plaque psoriasis and some or all of these lesions have proven refractory to at least a two-month trial of conservative treatment of topical agents and/or non-laser phototherapy.
      iv. Conventional treatment with at least three of the above defined treatments for psoriasis have failed:
         1. Topical treatments
         2. Light therapy
         3. Systemic treatment
4. Combination treatment
5. Intralesional injections of steroids

e. Lesions have previously been shown to be responsive to UVB treatment.

Patients in the following categories would be excluded from consideration for laser treatment:

i. Pregnant/lactating females
ii. Anyone with a history of photosensitivity
iii. Anyone with a history of keloid formation
iv. Those with ≥ 10% body surface area involvement of plaque-type psoriasis
v. Those with other types of psoriasis
vi. Psoriasis that responds to standard therapies
vii. Persons < 18 years of age*

*Individual consideration will be given to requests for excimer or FLPDL laser therapy for patients 12-17 years old. Such requests must meet the same criteria as for adult patients as stated above. In addition, detailed clinical information must be supplied as to prior treatments and response, the rationale for the request, and specific treatment plans and goals for such pediatric patients.

5. Facial Dermabrasion

a. Dermabrasion is a covered benefit using the conventional method of controlled surgical scraping (dermaplaning) or carbon dioxide (CO₂) laser for removal of superficial basal cell carcinomas and precancerous actinic keratoses when conventional methods of removal such as cryotherapy, curettage, excision, and 5-FU (Efudex) are impractical due to the number and distribution of the lesions.

b. Dermabrasion is not covered for conditions including, but not limited to:
   i. Removal of acne scars because its use for these indications is considered cosmetic.
   ii. For use in treating active acne because dermabrasion has been shown to increase inflammation associated with active acne.

6. Chemical Peel

Medium and deep chemical peels for actinic keratoses and other premalignant skin lesions are a covered benefit when patients have 15 or more lesions, such that it becomes impractical to treat each lesion individually,
AND they have failed to adequately respond to treatment with topical 5-fluorouracil (5-FU).

a. Chemical peels are not covered for the treatment of non-malignant (simple) lesions.
b. Chemical peels are not covered for active acne, acne scarring, skin wrinkling, or other cosmetic purposes.

7. Acne Surgery
Acne surgery (e.g., marsupialization, opening or removal of multiple milia, comedones, cysts, pustules) is not a covered benefit.

8. Alopecia
Treatment of alopecia (or baldness) is considered cosmetic in nature and not medically necessary. Therefore, treatment for alopecia, including drugs, prosthetics, ointments and surgical transplantation are not covered. Treatment or services to prevent hair loss (e.g. cooling therapy or devices during chemotherapy) are considered cosmetic and not covered.

9. Rosacea
Rosacea is a chronic disorder involving inflammation of the cheeks, nose, chin, forehead, or eyelids. It may cause redness, prominent blood vessels, swelling, or skin eruptions similar to acne. The cause of rosacea is unknown. The treatment is aimed at the control of redness, inflammation, and skin eruptions. Rosacea is not medically dangerous. It is not curable, but usually is controllable with treatment. It may be persistent and chronic. Complications of Rosacea include permanent changes in appearance, psychological damage, and loss of self-esteem.

Long-term treatment (5 to 8 weeks or more) with oral antibiotics such as tetracycline may control skin eruptions. Oral medications similar to vitamin A (isoretinol or Accutane) are a stronger alternative. The treatment of skin eruptions may also include long-term treatment with topical (applied to a localized area of the skin) antibiotics such as metronidazole.

In severe cases, laser surgery may help reduce the redness. Surgical reduction of enlarged nose tissue may also improve the patient’s appearance.

Antibiotic treatments are covered for patients with pharmacy coverage; retinoids are covered with limitations. Surgical treatment is not covered.
10. Labial Hypertrophy: excision of excessive skin and subcutaneous tissue for hypertrophy of the labia is not a covered benefit.

II. MEDICAL NECESSITY REVIEW

☐ Required  ☒ Not Required*  ☐ Not Applicable

*Home phototherapy units over $1,000 require authorization for commercial products. Not a covered benefit for Medicaid.

III. APPLICATION TO PRODUCTS

Coverage is subject to member’s specific benefits. Group specific policy will supersede this policy when applicable.

- **HMO/EPO**: This policy applies to insured HMO/EPO plans.
- **POS**: This policy applies to insured POS plans.
- **PPO**: This policy applies to insured PPO plans. Consult individual plan documents as state mandated benefits may apply. If there is a conflict between this policy and a plan document, the provisions of the plan document will govern.
- **ASO**: For self-funded plans, consult individual plan documents. If there is a conflict between this policy and a self-funded plan document, the provisions of the plan document will govern.
- **INDIVIDUAL**: For individual policies, consult the individual insurance policy. If there is a conflict between this medical policy and the individual insurance policy document, the provisions of the individual insurance policy will govern.
- **MEDICARE**: Coverage is determined by the Centers for Medicare and Medicaid Services (CMS); if a coverage determination has not been adopted by CMS, this policy applies.
- **MEDICAID/HEALTHY MICHIGAN PLAN**: For Medicaid/Healthy Michigan Plan members, this policy will apply. Coverage is based on medical necessity criteria being met and the appropriate code(s) from the coding section of this policy being included on the Michigan Medicaid Fee Schedule located at: [http://www.michigan.gov/mdch/0,1607,7-132-2945-42542-42543-42546-42551-159815--,00.html](http://www.michigan.gov/mdch/0,1607,7-132-2945-42542-42543-42546-42551-159815--,00.html). If there is a discrepancy between this policy and the Michigan Medicaid Provider Manual located at: [http://www.michigan.gov/mdch/0,1607,7-132-2945-5100-87572--,00.html](http://www.michigan.gov/mdch/0,1607,7-132-2945-5100-87572--,00.html), the Michigan Medicaid Provider Manual will govern. For Medical Supplies/DME/Prosthetics and Orthotics, please refer to the Michigan Medicaid Fee Schedule to verify coverage.

IV. DESCRIPTION

This policy outlines Priority Health's coverage criteria for the evaluation and treatment of specific skin conditions. While Priority Health does not cover the treatment of some specific conditions because they are considered cosmetic, it does cover limited visits for evaluation and diagnosis of those conditions. For example, the physical finding of alopecia warrants a medical evaluation and up to two visits are covered for that evaluation.
The integumentary system includes the skin and related structures, which cover the body. The human integumentary system is composed of the skin, the glands, hair and the nails. The skin is the largest organ in the human body and as such protects the body, prevents water loss, regulates temperature, and the nerves within. It also senses the external environment around it. Pigments called melanin give it its color and absorb and reflect the sun’s harmful ultraviolet radiation.

Human Skin
The adult skin covers 21.5 sq. ft. and weighs about 11 lbs. Depending upon the location the skin varies in thickness from 0.02 – 0.16 in. The skin is composed of an outer layer – the epidermis, and a thicker inner layer – the dermis. The epidermis contains keratinocytes, melanocytes, and Merkel’s cell disks (touch-sensitive cells). The dermis is made up of connective tissue, which contains protein, collagen, and elastic fibers. It also contains blood and lymph vessels, sensory receptors, related nerves (those that sense heat and cold, texture, pressure and trauma), and sebaceous and sweat glands. There is a subcutaneous layer of fatty tissue immediately below the dermis. Fibers from the dermis attach the skin to the subcutaneous layer and the underlying tissues and organs also connect to the subcutaneous layer.

V. CODING INFORMATION
A. Evaluation Services
Evaluation & Management codes for new or established patients are limited to 2 visits when billed with the following diagnosis groups:

**ICD-10 Codes:**
- **L84** Corns and callosities
- **L98.8** Other specified disorders of the skin and subcutaneous tissue
- **L63.0 - L63.9** Alopecia areata
- **L64.0 - L64.9** Androgenic alopecia
- **L65.0 - L65.9** Other nonscarring hairloss
- **L66.0 - L66.9** Cicatricial alopecia [scarring hair loss]
- **L57.3** Poikiloderma of Civatte
- **L81.0 - L81.9** Other disorders of pigmentation
- **L95.8** Other vasculitis limited to the skin
- **L95.9** Vasculitis limited to the skin, unspecified
- **L98.9** Disorder of the skin and subcutaneous tissue, unspecified
Treatment services NOT COVERED for the diagnosis above include but are not limited to:

- Anesthesia
- Medicine services including injections
- Minor or major surgical procedures
- Medication used in treatment

B. Treatment of skin conditions

1. PUVA and UVB Treatment

**ICD-10 Codes:** These diagnoses support medical necessity of the procedures listed below:

- B36.0  Pityriasis versicolor
- C84.00 - C84.09  Mycosis fungoides
- C84.10 - C84.19  Sezary disease
- D89.810 - D89.813  Graft-versus-host disease
- L11.1  Transient acantholytic dermatosis [Grover]
- L20.0 - L20.9  Atopic dermatitis
- L28.0 - L28.2  Lichen simplex chronicus and prurigo
- L29.0 - L29.9  Pruritus ani
- L30.5  Pityriasis alba
- L40.0 – L40.9  Psoriasis
- L41.0 – L41.9  Parapsoriasis
- L42  Pityriasis rosea
- L43.0 - L43.9  Lichen planus
- L44.0 - L44.9  Other papulosquamous disorders
- L45  Papulosquamous disorders in diseases classified elsewhere
- L56.0 - L56.9  Other acute skin changes due to ultraviolet radiation
- L66.1  Lichen planopilaris
- L80  Vitiligo
- L90.0  Lichen sclerosus et atrophicus
- L94.0  Localized scleroderma [morphea]
- L94.1  Linear scleroderma
- L94.3  Sclerodactyly
- L94.5  Poikiloderma vasculare atrophicans
- L98.1  Factitial dermatitis
- T86.00 - T86.09  Complications of bone marrow transplant

**CPT/HCPCS Codes:**

- 96910  Photochemotherapy; tar and ultraviolet B (Goeckerman treatment) or petrolatum and ultraviolet B
- 96912  Photochemotherapy; psoralens and ultraviolet A (PUVA)
- 96913  Photochemotherapy (Goeckerman and/or PUVA) for severe photoresponsive dermatoses requiring at least four to eight hours of care under direct supervision of the physician (includes application of medication and dressings)
2. Home Phototherapy
   **ICD-10 Codes:** These diagnoses may support medical necessity of the devices listed below:
   - L40.0 - L40.4 Psoriasis
   - L40.8 Other psoriasis
   - L40.9 Psoriasis, unspecified
   - L41.0 - L41.9 Parapsoriasis

   **CPT/HCPCS Codes:**
   Prior Authorization required for these devices.
   (Not covered for Priority Health Medicaid)
   - E0691 Ultraviolet light therapy system panel, includes bulbs/lamps, timer and eye protection; treatment area two square feet or less
   - E0692 Ultraviolet light therapy system panel, includes bulbs/lamps, timer and eye protection, four foot panel
   - E0693 Ultraviolet light therapy system panel, includes bulbs/lamps, timer and eye protection, six foot panel
   - E0694 Ultraviolet multidirectional light therapy system in six foot cabinet, includes bulbs/lamps, timer and eye protection

3. Photodynamic Therapy
   **ICD-10 Codes:** This diagnosis supports medical necessity of the CPT/HCPCS codes listed below:
   - L57.0 Actinic keratosis

   **CPT/HCPCS Codes:**
   - 96567 Photodynamic therapy by external application of light to destroy premalignant and/or malignant lesions of the skin and adjacent mucosa (eg, lip) by activation of photosensitive drug(s), each phototherapy exposure session
   - J7308 Aminolevulinic acid HCl for topical administration, 20%, single unit dosage form (354 mg)

4. Laser Therapy
   **ICD-10 Codes:** These diagnoses support medical necessity of the procedures listed below:
   - L40.0 - L40.4 Psoriasis
   - L40.8 Other psoriasis
   - L40.9 Psoriasis, unspecified

   **CPT/HCPCS Codes:**
   - 96920 Laser treatment for inflammatory skin disease (psoriasis); total area less than 250 sq cm
   - 96921 Laser treatment for inflammatory skin disease (psoriasis); 250 sq cm to 500 sq cm
   - 96922 Laser treatment for inflammatory skin disease (psoriasis); over 500 sq cm
5. Facial Dermabrasion

**ICD-10 Codes:** *These diagnoses support medical necessity of the procedures listed below:*

- C44.00 - C44.99 Other and unspecified malignant neoplasm of skin
- D48.5 Neoplasm of uncertain behavior of skin
- D49.2 Neoplasm of unspecified behavior of bone, soft tissue, and skin
- L71.1 - L71.9 Rosacea *(Medicare Only)*
- L57.0 Actinic keratosis

**CPT/HCPCS Codes:**

- 15781 Dermabrasion; segmental, face
- 15782 Dermabrasion; regional, other than face

6. Chemical Peel

**ICD-10 Codes:** *These diagnoses support medical necessity of the procedures listed below:*

- C44.00 - C44.99 Other and unspecified malignant neoplasm of skin
- D48.5 Neoplasm of uncertain behavior of skin
- D49.2 Neoplasm of unspecified behavior of bone, soft tissue, and skin
- L57.0 Actinic keratosis

**CPT/HCPCS Codes:**

- 15788 Chemical peel, facial; epidermal
- 15789 Chemical peel, facial; dermal
- 15792 Chemical peel, nonfacial; epidermal
- 15793 Chemical peel, nonfacial; dermal

7. Acne/Rosacea Treatment

**ICD-10 Codes:** *Services billed with these diagnoses are not covered.*

- L71.1 - L71.9 Rosacea
- L70.0 - L70.9 Acne
- L73.0 Acne keloid

**CPT/HCPCS Codes:**

Evaluation & Management codes for new or established patients are allowed when billed with the diagnoses above.

Treatment services NOT COVERED for the diagnoses above include but are not limited to:

- Medicine services including injections
- Medication used in treatment except that which is subject to pharmacy coverage
- Minor or major surgical procedures including but not limited to:
  - 10040 Acne surgery (e.g., marsupialization, opening or removal of multiple milia, comedones, cysts, pustules)
  - 15780 Dermabrasion; total face (e.g., for acne scarring, fine wrinkling, rhytids, general keratosis)
15781  Dermabrasion; segmental, face
15782  Dermabrasion; regional, other than face
15783  Dermabrasion; superficial, any site, (e.g., tattoo removal)
15786  Abrasion; single lesion (e.g., keratosis, scar)
15787  Abrasion; each additional four lesions or less (List separately in addition to code for primary procedure)
15788  Chemical peel, facial; epidermal
15789  Chemical peel, facial; dermal
15792  Chemical peel, nonfacial; epidermal
15793  Chemical peel, nonfacial; dermal
17106  Destruction of cutaneous vascular proliferative lesions (eg, laser technique); less than 10 sq cm
17107  Destruction of cutaneous vascular proliferative lesions (eg, laser technique); 10.0 to 50.0 sq cm
17108  Destruction of cutaneous vascular proliferative lesions (eg, laser technique); over 50.0 sq cm
17340  Cryotherapy (CO2 slush, liquid N2) for acne
17360  Chemical exfoliation for acne (e.g., acne paste, acid)

8. Treatment of Labial Hypertrophy – Not Covered
   **ICD-10 Codes:** Services billed with this diagnosis are not covered.
   N90.6   Hypertrophy of vulva

   **CPT/HCPCS Codes:**
   15839   Excision, excessive skin and subcutaneous tissue (includes lipectomy); other area
   56620   Vulvectomy simple; partial

9. Other Not Covered
   **CPT/HCPCS Codes:**
   E1399   Durable medical equipment, miscellaneous (Explanatory notes must accompany claims billed with unlisted codes.) Not covered when billed for scalp cooling device
   0400T   Multi-spectral digital skin lesion analysis of clinically atypical cutaneous pigmented lesions for detection of melanomas and high risk melanocytic atypia; one to five lesions
   0401T   Multi-spectral digital skin lesion analysis of clinically atypical cutaneous pigmented lesions for detection of melanomas and high risk melanocytic atypia; six or more lesions

VI. REFERENCES
AMA CPT Copyright Statement:
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