



MEDICAL POLICY

Date Reviewed: 02/25/00, 06/28/02, 04/26/03, 12/10/04, 07/28/06, 11/16/07, 11/21/08, 12/28/09, 10/22/10

Subject: Skin Lesions, Benign, including Warts and Lipomas

Description: Removal of benign skin lesions includes a variety of procedures used to remove or destroy a lesion of the skin and/or subcutaneous tissues. These benign skin lesions include seborrheic keratoses, actinic keratoses, sebaceous cysts, scars (keloids), skin tags, warts, and lipomas. Lesions may be removed by the application of medication (either over-the-counter or prescribed), cryotherapy (liquid nitrogen), laser destruction, excision, or other methods.

Indications of Coverage:

Treatment of an Actinic Keratosis is considered medically necessary.

Treatment for benign skin lesions is considered medically necessary when at least one of the following conditions is documented:

The lesion is painful, bleeding, or itching

The lesion shows physical evidence of inflammation

The lesion obstructs an orifice

The lesion clinically restricts vision

There is clinical uncertainty as to the likely diagnosis, particularly where malignancy is a realistic consideration based on the lesion appearance

A prior biopsy suggests or is indicative of lesion malignancy

The lesion is in an anatomical region subject to recurrent trauma

Periocular warts associated with chronic recurrent conjunctivitis presumed to be the result of virus shedding from the lesion

Limitations of Coverage:

Review contract and endorsements for exclusions and prior authorization or benefit requirements.

If used for a condition/diagnosis other than is listed in the Indications of Coverage, deny as experimental or investigative.

If used for a condition/diagnosis that is listed in the Indications of Coverage, but the criteria are not met, deny as not medically necessary and/or may not be an illness/physical illness, as defined by the Certificate of Coverage.

The removal of benign skin lesions that do not pose a threat to health or function is considered not medically necessary.

The following treatments are considered not medically necessary:

Cryotherapy (liquid nitrogen) and laser treatments provided more frequently than once every two weeks

More than six of the same type of wart treatments (for example, medication or cryotherapy) without documentation that the treatment has been effective.

Laser treatments without documentation of the failure of prior more conservative treatments of the lesion. (See Pulsed Dye Laser for Warts policy.)

More than three intralesional Bleomycin injections for the treatment of warts

Documentation Required:

Office notes (need documentation of the location of the lesion, the type of treatment that was utilized, and whether any other type of treatment was provided previously).

Rationale: A skin lesion is a change in appearance of an area of the skin. The skin lesion may be classified as benign (not a cancer) or malignant (cancer). Benign skin lesions can be the result of a virus, disease, or environmental factors. In many cases, no intervention is necessary. Benign skin lesions that are symptomatic, cause an impairment, or are suspicious for cancer are usually removed and evaluated. The criteria above are used to establish the medical necessity of a lesion removal versus the removal of a lesion to improve appearance, which is considered a cosmetic procedure, and is generally not covered.

References: Helfand M, Gorman AK, Mahon S, Chan BKS, Swanson N. Agency for Healthcare Research and Quality. Actinic Keratoses Final Report. May 19, 2001. Available at: www.cms.gov/determinationprocess/downloads/id1TA.pdf. Accessed: 7 Oct 10.

Wisconsin Physicians Service Medicare Local Coverage Determination (LCD): Removal of Benign Skin Lesions. LCD DERM-008. Revised: 10/01/10. Available at: www.wpsmedicare.com/part_b/policy/active/local/index.shtml. Accessed: 7 Oct 10.

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Approved by the Medical Director