

Treatment or Removal of Benign Skin Lesions

Date of Origin: 10/26/2016

Last Review Date: 03/25/2026

Effective Date: 04/01/2026

Dates Reviewed: 10/2016, 10/2017, 10/2018, 04/2019, 10/2019, 01/2020, 03/2020, 03/2021, 03/2022, 03/2023, 04/2024, 03/2025, 03/2026

Developed By: Medical Necessity Criteria Committee

I. Description

Individuals may acquire a multitude of benign skin lesions over the course of a lifetime. Most benign skin lesions are diagnosed on the basis of clinical appearance and history. If the diagnosis of a lesion is uncertain, or if a lesion has exhibited unexpected changes in appearance or symptoms, a diagnostic procedure (e.g., biopsy, excision) is indicated to confirm the diagnosis.

The treatment of benign skin lesions consists of destruction or removal by any of a wide variety of techniques. The removal of a skin lesion can range from a simple biopsy, scraping, or shaving of the lesion, to a radical excision that may heal on its own, be closed with sutures (stitches), or require reconstructive techniques involving skin grafts or flaps. Laser, cautery, or liquid nitrogen may also be used to remove benign skin lesions. When it is uncertain whether a lesion is cancerous, excision and laboratory (microscopic) examination is usually necessary.

II. Criteria: CWQI HCS-0184A

III. OHSU HealthServices will cover the treatment and removal of **1 or more** of the following benign skin lesions:

- a. **Treatment or removal of actinic keratosis** (pre-malignant skin lesions due to sun exposure) is considered medically necessary with **1 or more** of the following procedures:
 - i. Cryotherapy (super-freezing tissue)
 - ii. Electrosurgery
 - iii. Excision or surgical curettement
 - iv. Shave Excision
 - v. Biopsy
 - vi. Laser Therapy
 - vii. Chemosurgery
 - viii. Photodynamic therapy
 - ix. Topical medications (e.g. Topical diclofenac gel, 5-fluorouracil {5-FU})

- b. **Treatment of Psoriasis with Laser Therapy** when **ALL** of the following are present:
- Patient has a diagnosis of psoriasis
 - Patient has had an inadequate response to or intolerance of topical therapy
 - Patient has less than 10% body surface area involvement
 - Patient has no history of cutaneous photosensitization
 - Request is for no more than 13 laser treatments per course; and for no more than 3 courses (a total of 39 treatments)
 - If the request exceeds 13 laser treatments per course or more than 3 courses of treatment, the information must include documentation of the response to treatment and a clinical explanation for additional treatments
- c. **Treatment of the following conditions (not an all-inclusive list) with Laser Therapy** is considered experimental and investigational because of insufficient evidence in the peer-reviewed literature:
- Atopic dermatitis
 - Eczematous lesions
 - Granuloma annulare
 - Granuloma faciale
 - Herpes simplex labialis
 - Lichen sclerosis
 - Onychia
 - Sarcoidosis
- d. Treatment of moderate to severe Hidradenitis suppurativa (Hurley II or Hurley Stage III) using laser surgery is considered medically necessary when **one** of the following requirements is met,
- Failure of at least a 90-day trial of the conventional or conservative therapy (e.g., oral antibiotics); **or**
 - Initial therapy is not tolerated or is contraindicated

The Hurley clinical staging system is used to classify patients with HS into three disease severity groups

Stage I	abscess formation (single or multiple), no sinus tracts or cicatrization or scarring.
Stage II	recurrent abscesses with sinus tracts and scarring, single or multiple separated lesions.
Stage III	diffuse or almost diffuse involvement, or multiple interconnected sinus tracts and abscesses across the entire area

- e. **Treatment or removal of other benign skin lesions** including, but not limited to the following (Seborrheic keratosis [*non-cancerous growths of the outer layer of skin*]), Sebaceous[(*epidermoid or keratinous*)] cyst [*slow growing benign cyst*], Moles [*nevi*], Papillomas [*small benign wart-like growth*], Lipomas, acquired hyperkeratosis [*keratoderma*] [*patches of thickening of the skin*], Molluscum contagiosum, Milia and viral warts [*excluding condyloma acuminatum*], symptomatic keloid scars, symptomatic skin tags) is considered medically necessary when the lesion or lesions meet **ALL** of the following:
- Lesion has objective signs or symptoms of 1 or more** of the following:
 - Bleeding
 - Intense itching
 - Pain
 - Change in physical appearance (reddening or pigmentary changes)
 - Recent enlargement
 - Increase in the number of lesions
 - The lesion is in a position that is subject to recurrent physical trauma and there is documentation that such trauma has in fact occurred (i.e. waist area, bra line, etc.)

8. The lesion impairs physical function (i.e. visual impairments, obstruction of an orifice)
 9. The lesion has physical evidence of inflammation; (e.g., purulence, oozing, edema, erythema, etc.)
 10. A prior biopsy suggests or is indicative of pre-malignancy (i.e. dysplasia)
 11. The lesion appears to be pre-malignant with a clinical uncertainty as to the diagnosis; particularly where malignancy is a realistic consideration based on the lesion's appearance, strong family history of melanoma, dysplastic nevus syndrome or prior melanoma.
- ii. Treatment and/or removal of other benign skin lesions includes **1 or more** of the following procedures:
 1. Cryotherapy (super-freezing tissue)
 2. Electrosurgery
 3. Excision
 4. Shave Excision
 5. Biopsy
 6. Steroid injections
 7. Laser therapy
 - iii. Removal of benign skin lesions for reasons **OTHER** than those listed above as medically necessary are considered to be cosmetic and **NOT** covered.
- f. Grenz Ray therapy for the treatment of any skin conditions is considered experimental and investigational
 - i.

IV. Information Submitted with the Request:

1. Medical records maintained by the physician must clearly and unequivocally document the medical necessity for lesion removal
2. Documentation must contain a written description of each treated lesion in terms of location, and physical characteristics
3. A record of statement of a specific diagnosis

V. CPT or HCPC codes covered:

Codes	Description
11200-11201	Removal of skin tags, multiple fibrocutaneous tags, any area; code range
11900	Injection, intralesional, up to and including 7 lesions
11901	More than 7 lesions
17106, 17107, 17108	Destruction of cutaneous vascular proliferative lesions (eg, laser technique), less than 10 sq cm, 10-50.0 sq cm, over 50.0 sq cm
17110-17111,	Destruction, (eg, laser surgery, electrosurgery, cryosurgery, chemosurgery, surgical curettage), of benign lesions other than skin tags or cutaneous vascular lesions; code range

17380	Electrolysis epilation, each 30 minutes
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

VI. Annual Review History

Review Date	Revisions	Effective Date
10/2016	New criteria: Adopted from CMS and MCG guidelines	1/1/2017
10/25/2017	Annual Review: Updated to new template; reformatted to separate actinic keratosis	10/25/2017
10/24/2018	Added surgical curettement and chemosurgery	10/24/2018
04/24/2019	Removed wart removal guideline, added steroid injections to treatment procedures	04/24/2019
10/23/2019	Update: Codes 11200-11201 are indicated as covered codes.	11/01/2019
1/22/2020	Update: medical necessity review is not required for treatment or removal of warts	1/22/2020
03/25/2020	Annual review: Added detailed criteria requirements for treatment of folliculitis with laser hair removal. Added list of indications considered E&I for laser therapy	04/01/2020
03/24/2021	Annual Review: No content change	04/01/2021
03/23/2022	Annual Review: No content change	04/01/2022
07/2022	Update: Added missing CPT codes and removed those that no longer require PA	07/2022
03/22/2023	Annual Review: No changes	04/01/2023
07/26/2023	Update: Added indications for treatment of moderate to severe hidradenitis suppurativa (HS) using laser surgery	08/01/2023
04/05/2024	Annual review: added Photodynamic therapy, Topical medications (e.g. Topical diclofenac gel, 5-fluorouracil {5-FU} treatment procedures	04/09/2024
03/26/2025	Annual Review: No changes	04/01/2025

05/2025	Update: Added Grenzy Ray Therapy considered investigational	
03/2026	Annual Review: No content changes	04/01/2026

VII. References

- Centers for Medicare & Medicaid Services, National Coverage Determination (NCD) for Treatment of Actinic Keratosis (250.4); Implementation Date 11/26/2001; Effective Date 11/26/2201; Accessed 10/12/2016
- Centers for Medicare & Medicaid Services, Local Coverage Determination (LCD): Benign Skin Lesion Removal (Excludes Actinic Keratosis, and Mohs) (L33979); Noridian Healthcare Solutions, LLC; Effective Date 10/01/2015; Revision Effective Date 10/01/2016; Accessed 10/12/2016.
- National Institutes of Health/U.S. National Library of Medicine; MedlinePlus; Skin Lesion Removal: Updated by: Kevin Berman, MD, PhD, Atlanta Center for Dermatologic Disease, Atlanta, GA. Review provided by VeriMed Healthcare Network. Also reviewed by David Zieve, MD, MHA, Isla Ogilvie, PhD, and the A.D.A.M. Editorial team. Review Date 3/26/2016.
- James WD, Berger TG, Elston DM. Cutaneous laser surgery. In: James WD, Berger TG, Elston DM, eds. *Andrews' Diseases of the Skin: Clinical Dermatology*. 12th ed. Philadelphia, PA: Elsevier; 2016: chap 38.
- UpToDate; Overview of benign lesions of the skin; Beth Goldstein, MD, Adam Goldstein, MD, MPH; access at www.uptodate.com; 2016 UpToDate
- Li YH, Chen G, Dong XP, Chen HD. Detection of epidermodysplasia verruciformis-associated human papillomavirus DNA in nongenital seborrheic keratosis. *Br J Dermatol* 2004; 151:1060.
- Wood LD, Stucki JK, Hollenbeak CS, Miller JJ. Effectiveness of cryosurgery vs curettage in the treatment of seborrheic keratoses. *JAMA Dermatol* 2013; 149:108.
- American Academy of Dermatology (AAD). Seborrheic keratoses. Patient information. Schaumburg, IL: AAD; 1997.
- Beers MH, Jones TV, Berkwitz M, et al., eds. Skin cancers: Premalignant lesions. In: *The Merck Manual of Geriatrics*. 3rd ed. Sec. 15, Ch. 125. White House Station, NJ: Merck & Co.; 2000.
- American Academy of Family Physicians (AAFP) Website. Treatment of nongenital cutaneous warts. August 1, 2011. Available at: <http://www.aafp.org>. Accessed August 6, 2015.
- Jing-Wun Lu, MD Yu-Wen Hunag, MD Tai-Li Chen National Library Medicine NIH 2021. Efficacy and safety of adalimumab in hidradenitis suppurativa. Retrieved from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8183777/>

Appendix 1- Applicable Diagnosis Codes

Codes	Description
B07.0-B07.9	Viral warts
D17.0-D17.39	Benign lipomatous neoplasm of skin and subcutaneous tissue
D22.0-D22.9	Melanocytic nevi
D23.0-D23.9	Other benign neoplasm of skin

L40.0	Psoriasis vulgaris
L40.1	Generalized pustular psoriasis
L40.2	Acrodermatitis continua
L40.3	Pustulosis palmaris or plantaris
L72.0	Epidermal cyst
L72.3	Sebaceous cyst
L82.0 L82.1	Seborrheic keratosis

Appendix 2 – Centers for Medicare and Medicaid Services (CMS)

Medicare coverage for outpatient (Part B) drugs is outlined in the Medicare Benefit Policy Manual (Pub. 100-2), Chapter 15, §50 Drugs and Biologicals. In addition, National Coverage Determination (NCD) and Local Coverage Determinations (LCDs) may exist and compliance with these policies is required where applicable. They can be found at: <http://www.cms.gov/medicare-coverage-database/search/advanced-search.aspx>. Additional indications may be covered at the discretion of the health plan.

Medicare Part B Covered Diagnosis Codes (applicable to existing NCD/LCD):

Jurisdiction(s): 5, 8	NCD/LCD Document (s):

NCD/LCD Document (s):

Medicare Part B Administrative Contractor (MAC) Jurisdictions		
Jurisdiction	Applicable State/US Territory	Contractor
F (2 & 3)	AK, WA, OR, ID, ND, SD, MT, WY, UT, AZ	Noridian Healthcare Solutions, LLC