# Dermatologists Should Step Up to Level 3 Codes

BY BRUCE JANCIN
*Denver Bureau*

KOLOA, HAWAII — The "vast majority" of dermatologic office visits ought to be coded as level 3 services using the CPT evaluation and management codes, Dr. Allan Wirtzer said at the annual Hawaii dermatology seminar sponsored by Skin Disease Education Foundation.

"Based upon the work performed by most dermatologists, CPT codes 99203 and 99213 should be the default codes used for the typical dermatologic encounter. I know that may not be what you've heard … but I think from a documentation standpoint you can support this in the vast number of patients that you see in your office," said Dr. Wirtzer, a dermatologist and coding expert in private practice in Sherman Oaks, Calif.

**To qualify as a code 99213 for established patients, two of three key elements must be met.**

**DR. WIRTZER**

It's all a matter of documentation, he said, and dermatologists seem to finally be getting the message. Historically, their use of level 2 coding greatly exceeded that of level 3, but the most recent Medicare utilization data indicate they're currently coding 90% of encounters as level 2 or 3, with the two levels seeing equal use. That's a big improvement, but it indicates there is still significant undercoding by dermatologists, since level 3 coding should predominate, he said.

To qualify as a code 99213 for established patients, any two of the following three key elements must be met: an expanded problem-focused history, an expanded problem-focused physical examination, and a low level of medical decision making. The requirements needed to fulfill these elements are detailed in the 1995 and 1997 documentation guidelines for evaluation and management services and can be accessed at www.cms.hhs.gov/MLNEdWebGuide. Select "Documentation Guidelines" on the left-hand side of the page

The most important of these key elements to document is the history, since it contains the details needed to meet both the history and decision-making components of a 99213. A patient with one worsening or two stable problems meets the requirement for low-level decision making, while one new problem qualifies for moderate-level decision making. The great majority of existing patients who visit a dermatologist fall into one of these categories, Dr. Wirtzer said.

An expanded problem-focused history has two components: a brief history of the present illness—a simple comment such as "acne on face" or "bump on leg" meets this standard—and a problem-pertinent review of systems.

"If you can just put down that the patient is otherwise well or has no other complaints, you've done a problem-pertinent review of systems," he stressed.

The price for not properly documenting a claimed level of service can be steep. "If a physician gets audited and the insurance companies look at 15 of the 99213s that have been filed, they'll say, 'Listen, based on the fact that half of the charts we audited were wrong, we're going to assume that half of all your 99213s were wrong, therefore for the last year you owe us X amount of dollars,' " Dr. Wirtzer cautioned.

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# CPT Site-Specific Biopsy Codes: Undercoding Means Underpayment

KOLOA, HAWAII — Dermatologists throw a lot of money away by undercoding their site-specific biopsies, Dr. Leon Kircik said at the annual Hawaii dermatology seminar sponsored by Skin Disease Education Foundation.

The CPT code for skin biopsy is 11100. A biopsy performed at a second site is coded 11101, a third is 11102, and so on. But there are other codes intended for use in biopsies of the ear, eyelid, and various other specific sites. (See box.)

All of these site-specific biopsies are assigned higher relative value units and are reimbursed at substantially higher rates than those coded 11100. An eyelid biopsy, for example—coded 67810—pays about five times more, according to Dr. Kircik, a dermatologist in private practice in Louisville, Ky.

"I audited a big practice in New York City where they were putting all the eyelid biopsies as a regular skin biopsy and missing a lot of revenue," he recalled.

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**—Bruce Jancin**

## Site-Specific Biopsy Coding

| CPT Code | Biopsy Site |
|---|---|
| 11100 | Skin, site no. 1 |
| 40490 | Lip |
| 67810 | Eyelid |
| 69100 | Ear |
| 54100 | Penis |
| 56606 | Vulva |
| 11755 | Nail |

## POLICY & PRACTICE

### Researching Psoriatic Arthritis

The National Psoriasis Foundation has awarded $120,000 in seed money to researchers trying to understand the mechanism of disease for psoriasis and psoriatic arthritis. The idea behind the program is to fund research that will generate preliminary data to be used in grant applications to the National Institutes of Health. The four grants—funded at $30,000 each—were awarded to researchers in Oregon, Utah, Colorado, and New York. One grant recipient at Columbia University will focus on understanding the environment of joints in psoriatic arthritis. The results of this type of research could lead to better therapeutic targets for psoriatic arthritis, according to the Psoriasis Foundation.

### Ban Tanning Ads at Teens?

Researchers at the University of Colorado's dermatology department are calling for a ban on tanning salon advertisements that are directed at adolescents, after a small survey of Denver-area high school newspapers found that ads offering indoor tanning services—and usually at a discount—appeared in publications at half the schools. The researchers looked at newspapers printed in 2001 or later at 23 public schools. Forty ads appeared in 131 papers at 11 schools, with most ads appearing in the spring. Fifteen of the forty advertisements offered unlimited tanning for up to 4 months; half offered discounts, including "prom specials." Two advertisements noted that parental permission was required for tanners under the age of 16 years; another warned that no one under 14 years old would be allowed to tan. Although the study was a limited snapshot in time and did not involve a random sample, the results still suggest that tanning advertisements are "abundant" in public high school papers in the Denver area, said the authors. The study was published in the April 2006 issue of the Archives of Dermatology.

### Part D Formulary Override Form

A coalition of physician and pharmacist organizations and insurers, led by the American Medical Association, has developed a form that all physicians can use to request a prior authorization or coverage of a nonformulary drug under Medicare's Part D benefit. Partners include the American Psychiatric Association, the American Academy of Family Physicians, the American College of Physicians, the National Council on Aging, the American Pharmacists Association, and America's Health Insurance Plans. "Physicians will now have a simple one-page form to easily communicate to drug plans why a patient needs a specific drug when other similar drugs are also covered by the plan," said AMA board member Dr. Edward Langston in a statement. Using the form, physicians can explain why an alternative drug is needed, why a different dose is required, or why the formulary drug is not acceptable. The exceptions request form is available on the Web sites of the Centers for Medicare and Medicaid Services (www.cms.hhs.gov), AMA (www.ama-assn.org), AHIP (www.ahip.org), and AAFP (www.aafp.org).

### Critics Say Generics Thwarted

At least 14 brand name drugs are due to go off patent in the next 5 years, representing $23 billion in potential savings to Medicare Part D, but pharmaceutical manufacturers are doing all they can to block generic competition, claims the Pharmaceutical Care Management Association in a new report. PCMA's members—managed drug benefit plans, or pharmaceutical benefit managers (PBMs)—negotiate discounts with drug makers on behalf of employers and insurers and are under pressure to keep pharmaceutical prices down so they can offer competitively priced plans to Medicare beneficiaries. The organization says that this year alone, $1.5 billion could be saved on four drugs due to lose exclusivity: Zoloft (sertraline), Zocor (simvastatin), Proscar (finasteride), and Pravachol (pravastatin). The Food and Drug Administration just approved a generic pravastatin. The savings estimates assume that 90% of Medicare prescriptions would be switched to generics and that the generic would cost 60% less than the brand name. In 2007, seven popular products—Norvasc (amlodipine), Ambien (zolpidem), Zyrtec (cetirizine), Lotrel (amlodipine/benazepril), Coreg (carvedilol), Lamisil (terbinafine), and Tequin (gatifloxacin)—are due to lose patent protection, which could lead to $700 million in savings that year, noted PCMA.

### Polls Say Seniors Satisfied

Two new polls—from the Kaiser Family Foundation and the U.S. Chamber of Commerce—say that Medicare beneficiaries who have enrolled in the Part D plan are very satisfied. Kaiser interviewed 517 seniors in early April; 31% had enrolled in a plan, and among those, 75% said they were very or somewhat satisfied with their plan. Of the 84% who had tried to get a prescription with their plan, 82% had no problems. The U.S. Chamber hired the Tarrance Group to survey 970 registered voters over age 65 in late April. Seventy-eight percent had drug coverage; of those, 43% were covered through a former employer, a union, or the Veterans Administration; 17% through a standalone Part D benefit; 13% through a Medicare HMO or PPO; and 23% through some "other" plan. Seventy-two percent of those with Medicare coverage had self-enrolled, and among those, 78% said they were very or somewhat satisfied with their prescription drug coverage. A majority—around 80%—of those who were self-enrolled said they understood how to use the plan, that their premiums and co-payments were affordable, that they had access to high-quality medications, and that the drugs they needed were covered, said Brian Nienaber, a vice president at Tarrance Group, in a conference call with reporters.

**—Alicia Ault**