CLINICAL MEDICAL POLICY	
Policy Name:	Pathology Testing with Mohs Micrographic Surgery
Policy Number:	MP-151-MD-PA
Responsible Department(s):	Medical Management
Provider Notice/Issue Date:	05/01/2026
Effective Date:	07/01/2026
Next Annual Review:	01/2027
Implementation Date:	01/21/2026
Products:	Highmark Wholecare℠ Medicaid
Application:	All participating hospitals and providers
Page Number(s):	1 of 6

Policy History

Date	Action
07/01/2026	Provider Effective date
01/21/2026	QI/UM Committee review
01/21/2026	Policy initially developed

Disclaimer

Highmark Wholecare℠ medical policy is intended to serve only as a general reference resource regarding coverage for the services described. This policy does not constitute medical advice and is not intended to govern or otherwise influence medical decisions.

Policy Statement

Highmark Wholecare℠ may provide coverage under the laboratory benefits of the Company's Medicaid products for medically necessary pathology testing with Mohs micrographic surgery (MMS).
This policy is designed to address medical necessity guidelines that are appropriate for the majority of individuals with a particular disease, illness or condition. Each person's unique clinical circumstances warrant individual consideration, based upon review of applicable medical records.

(Current applicable Pennsylvania HealthChoices Agreement Section V. Program Requirements, B. Prior Authorization of Services, 1. General Prior Authorization Requirements.)

Definitions

Mohs microsurgery - A procedure used to treat certain types of skin cancer, penile cancer, mouth cancer (especially cancer of the lip), and soft tissue sarcoma of the skin. During Mohs micrographic surgery, the visible tumor and a thin layer of tissue around it is removed. The tissue is then checked under a microscope for the presence of cancer cells at all edges of the tumor. If cancer cells are seen, another thin layer of tissue is removed and checked under the microscope. This process is repeated until no more cancer cells are seen.

Immunohistochemistry (IHC) - utilizes antibodies to detect antigens in a tissue sample. A lab technique a pathologist may use to check for signs of disease following a biopsy. IHC is commonly used to diagnose cancer, predict treatment response and determine likely prognosis of the disease.

Procedures

1. Requests for pathology testing with Mohs micrographic surgery (MMS) are reviewed using the following criteria. These criteria do not address all indications and applications of the surgical pathology codes.

   MMS is considered medically necessary for indications related to the anatomic site of the tumor, the histopathologic qualities or biologic behavior of the tumor, or specific patient characteristics.

   The following indications are those in which Mohs surgery may be considered medically necessary:
   A. Anatomic areas where preservation of healthy tissue is important for functional or cosmetic results; OR
   B. Anatomic areas with a high risk of recurrence or that have recurred following previous treatment; OR
   C. Tumors arising in areas of prior irradiation, traumatic scar, chronic inflammatory conditions, or ulceration; OR
   D. Tumors that are large, have ill-defined borders, rapid growth, or aggressive histologic features; OR
   E. Individuals who are immunosuppressed; OR
   F. Individuals with genetic syndromes at high risk for skin cancer.

2. **Tissue Evaluation and Consultation** (88305, 88331, 88332)
   Typically, diagnostic biopsy is previously performed on a skin cancer before complete removal by a Mohs surgery procedure. Tissue evaluation and consultation (88305, 88331, or 88332) may be medically necessary as a diagnostic biopsy on the same day as Mohs surgery in the following scenarios:
   A. As a diagnostic or confirmation biopsy before Mohs surgery, if an individual presents for Mohs surgery and no prior diagnostic biopsy has been performed on the lesion planned for Mohs surgery, or if the Mohs surgeon is unable, with reasonable effort, to obtain the diagnostic biopsy report on a lesion planned for Mohs surgery; OR
   B. If the biopsy represents tissue completely separate and unrelated to the Mohs procedure (an incidental biopsy of another lesion occurring on the same day as Mohs surgery on a different lesion).

88331 and 88332 are medically necessary for diagnostic biopsies performed and immediately frozen with preparation and staining of slides for microscopic examination by the Mohs surgeon, but unrelated to the Mohs surgery as described. For any other indications, 88331 is not medically necessary with a Mohs surgery procedure, since the Mohs surgery procedure code includes frozen section tissue preparation and examination. 88332 is only medically necessary in rare and unusual situations as an additional frozen section in one of the above exceptions for 88331, when an additional frozen section is required for diagnosis.

A Mohs surgeon may elect to send a specimen to a pathologist for permanent processing and examination. Since Mohs surgery requires the dermatologist to act in the dual role as the surgeon and the pathologist, this situation changes the nature of the procedure, and if 88305 is to be billed in this instance, the surgeon cannot bill a Mohs procedure code. The only other medically necessary code used for the gross and microscopic examination of skin is 88304, which is billed for benign lesions of less complexity, such as skin tags and lipomas, so would not be associated with a Mohs surgery procedure.

3. **Immunohistochemistry** (88341, 88342, 88344)
   Immunohistochemistry procedure codes 88341-88344 are medically necessary for diagnostic purposes that cannot be interpreted on routine H & E staining.

   Detection of atypical melanocytes on frozen sections can be difficult, and is one of the reasons that treatment of some melanomas by MMS is controversial. A Mohs surgeon has the option of sending tissue sections for processing and examination by a pathologist if needed for patient care. In this situation, the procedure is no longer MMS, but billed as an excision procedure, with all pathology codes billed by the examining pathologist.

   Any billing of 88341, 88342, and/or 88344 should be accompanied by documentation of findings on a pathology report and may be subject to post-service medical necessity review. When medically necessary to bill immunohistochemistry codes on the same date of service as MMS, all criteria in the guideline titled Immunohistochemistry (IHC) apply.

4. Post-payment Audit Statement
   The medical record must include documentation that reflects the medical necessity criteria and is subject to audit by Highmark Wholecare℠ at any time pursuant to the terms of your provider agreement.

Operational Guidelines *Do not include on external version*

- This medical policy will be applied on a post-service/prepayment basis for both facility and professional providers.

Governing Bodies Approval

CLIA
Pathology testing with Mohs micrographic surgery are offered as laboratory-developed tests under Clinical Laboratory Improvement Amendments (CLIA) licensed laboratories. Clinical laboratories may develop and validate tests in-house and market them as a laboratory service; laboratories offering such

tests as a clinical service must meet general regulatory standards of CLIA and must be licensed by CLIA for high complexity testing.

Summary of Literature

Mohs micrographic surgery is a surgical technique developed in the 1930s by Dr. Frederic Mohs to remove many types of skin cancer.

It is performed by dermatologists, many of whom have completed a one or two year fellowship in Mohs surgery. One of the defining, and unique, features of this technique is that the Mohs surgeon also serves the role of the pathologist, examining frozen sections of excised tissue at the time of surgery. This is in contrast to the standard excision of a skin cancer with a margin of normal appearing skin, which is then sent to a pathologist for processing and examination of slides of the fixed tissue. Mohs surgery involves progressively removing thin layers of a skin cancer and examining each layer until all of the cancer has been removed. This allows for microscopic evaluation of the entire surgical margin and removal of as much of the cancer as possible while minimizing the excision of the adjacent normal tissue.

Basal cell carcinoma and squamous cell carcinoma are the most common types of skin cancer. Basal cell carcinoma is the most common form of human cancer, with an increasing incidence in the United States. Mohs surgery is used to treat basal cell carcinoma, squamous cell carcinoma, some types of malignant melanoma, and some cases of less commonly encountered skin cancers including sebaceous carcinoma and atypical fibroxanthoma.

Some of the benefits of Mohs surgery include higher cure rates for both primary and recurrent skin tumors, as well as better cosmetic and functional results due to the more precise margin evaluation and sparing of healthy tissue. This leads to the smallest possible surgical defect, which is particularly advantageous in some anatomic sites, such as the face and distal extremities.

A limitation of Mohs surgery is that it can be difficult for the surgeon to achieve clear margins in tumors with an aggressive growth pattern into deeper structures such as bone or salivary glands. Since the Mohs surgeon acts as the pathologist, usually examining only frozen sections, there is no independent confirmation of findings by a pathologist on permanent tissue sections, as is the standard in surgical pathology practice. There is a general opinion that in many cases, paraffin embedded sections provide superior visualization of the morphologic features of a tumor, compared to frozen sections. Since paraffin embedded tissue sections and blocks are not typically processed in Mohs surgery, only frozen section slides are kept from these procedures. Therefore, tissue blocks may not be available for further evaluation, if needed.

During a Mohs procedure, a thin layer of tissue surrounding the tumor is removed. After color coding the orientation of the tissue with dye and drawing a map of the surgical site, the tissue is cut into sections and frozen. Microscopic slides are prepared and stained from the frozen tissue blocks and examined. Successive layers of tissue are removed in this way until the entire tumor and a reasonable clear margin of tissue is excised.

Coding Requirements

Surgical pathology procedures are generally not separately reimbursable on the same date of service as a Mohs surgery, including but not limited to the following surgical pathology codes: 88300-88309, 88329-88332, 88341-88344. The below outline reimbursable indications and limitations for billing surgical pathology codes on the same date of service as Mohs surgery codes.

Tissue evaluation and consultation (88305, 88331, 88332) 88305, 88331, or 88332 may be reimbursable as a diagnostic biopsy on the same day as Mohs surgery in the following scenarios:

- As a diagnostic or confirmation biopsy before Mohs surgery, if an individual presents for Mohs surgery and no prior diagnostic biopsy has been performed on the lesion planned for Mohs surgery, or if the Mohs surgeon is unable, with reasonable effort, to obtain the diagnostic biopsy report on a lesion planned for Mohs surgery. In either situation, the modifier 58, XU, or 59 should be appended as appropriate to the surgical pathology procedures; OR
- If the biopsy represents tissue completely separate and unrelated to the Mohs procedure, the modifier XS should be appended to the surgical pathology procedures.

Procedure Codes

CPT Code	Description
88342	Immunohistochemistry or immunocytochemistry, per specimen; initial single antibody stain procedure
88341	Immunohistochemistry or immunocytochemistry, per specimen; each additional single antibody stain procedure (List separately in addition to code for primary procedure)
88344	Immunohistochemistry or immunocytochemistry, per specimen; each multiplex antibody stain procedure
88305	Level IV - Surgical pathology, gross and microscopic examination
88331	Decalcification procedure (List separately in addition to code for surgical pathology examination)
88332	Pathology consultation during surgery; each additional tissue block with frozen section(s) (List separately in addition to code for primary procedure)

Reimbursement

Participating facilities will be reimbursed per their Highmark Wholecare℠ contract.

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