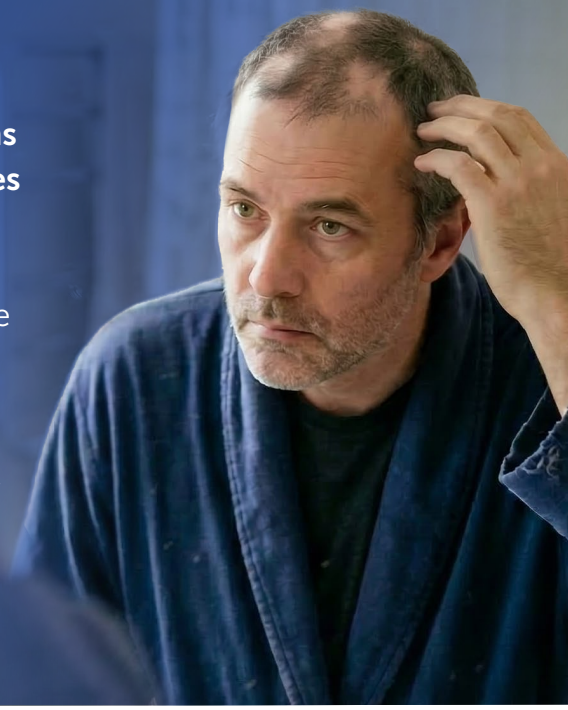
Addressing Coverage Gaps for Vitiligo and Alopecia Areata

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Issue at a Glance

Vitiligo and alopecia areata are dermatological health conditions that have medical consequences that extend far beyond changes to physical appearance. In vitiligo, the body's immune system attacks melanocytes—the cells responsible for skin pigment—resulting in visible depigmentation. In alopecia areata, the immune system targets hair follicles, leading to patchy, or in some cases, complete hair loss on the scalp and body.

Despite being rooted in a dysfunction of the autoimmune system, the consequences of these conditions are often misclassified by some health plans as solely cosmetic and therefore access to treatments are denied.

Impact on Health

Vitiligo and alopecia areata are systemic, immune-mediated conditions whose consequences extend well beyond changes in skin pigmentation or hair loss, with a well documented association with autoimmune thyroid disease and diabetes reflecting broader immune dysregulation. In addition, the visible and chronic nature of these conditions is linked to substantially higher rates of depression, anxiety, and psychosocial distress, independent of dermatologic severity. These comorbidities underscore the need for policies that recognize vitiligo and alopecia as whole person health conditions requiring integrated medical and mental health care rather than isolated dermatologic management. Despite these health consequences, people diagnosed with vitiligo or alopecia areata too often find that Medicare, Medicaid and TRICARE refuse or delay coverage for what a health care provider has determined to be medically necessary treatment.

Delayed or forgone treatment can reduce effectiveness and worsen outcomes.

Conquence of Misclassification

Health plans should classify vitiligo and alopecia areata as serious autoimmune medical conditions and improve access to medically necessary care to ensure better health outcomes.

When health plans misclassify vitiligo and alopecia areata as cosmetic, there are direct and harmful consequences. Patients are denied coverage for evidence-based therapies such as topical and systemic treatments, and hair prostheses, even when these interventions improve patients' quality of life and help prevent disease progression. Delayed or forgone treatment can reduce effectiveness, worsen outcomes, as well as increase emotional and psychological distress.

Misclassification also exacerbates health inequities. Patients who rely on public insurance programs—particularly Medicaid or TRICARE—are less able to absorb the burden of out-of-pocket costs, treatment delays or unmanaged disease. As a result, there is often a disparity in access to care based on the patient's health plan coverage, state of residence, and social economic status.

Coverage Landscape Across Federal Health Programs

Congress and federal agencies must act now to establish clear coverage standards and ensure access to medically necessary care for patients living with vitiligo and alopecia areata.

Medicare

- Medicare generally excludes services considered cosmetic unless they meet specific medical-necessity criteria.
- Vitiligo is clearly recognized as non-cosmetic under Medicare. The Medicare Part D Prescription Drug Manual classifies vitiligo as a medical condition, and coverage is generally available without significant dispute.
- Alopecia areata does not receive the same recognition, and coverage is often evaluated on a case-by-case basis, with denials more likely when disease impact is framed as psychosocial rather than physical.
- CMS has not issued clear guidance applying the same non-cosmetic standard to alopecia areata or recognizing psychosocial burden as part of medical necessity for autoimmune skin disease.

Medicaid

- FDA-approved treatments for vitiligo and alopecia areata are not covered or limited in many states.
- When coverage is available, it often involves strict prior authorization and step therapy requirements.
- Access to newer therapies is limited or unavailable in most state Medicaid formularies.

TRICARE

- Vitiligo and alopecia areata often fall into gray areas between medical and cosmetic care, which can lead to variable coverage decisions based on medical necessity.
- Mental health and quality of life are not consistently or explicitly incorporated into medical-necessity determinations for alopecia areata and vitiligo.

The Benefits for Patients

For people living with vitiligo and alopecia areata, misclassification too often means denied treatment or delayed care. By ensuring access to medically necessary treatment policy makers can support patients in achieving better outcomes. Increased access to treatment will result in a reduction of comorbid conditions, including thyroid disease, diabetes, and mental health implications. Accordingly, Congress and federal agencies should act now to ensure Medicare, Medicaid and TRICARE recognize vitiligo and alopecia areata as medical—not cosmetic—conditions, so patients can access timely, evidence-based care.



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