

Condition Code 44 vs Condition Code W2 – Decision Tree

START

1. Patient is admitted as INPATIENT
2. Does the admission meet inpatient medical necessity?
 - YES → Proceed as inpatient (no further action)
 - NO / QUESTIONABLE → Continue to Step 3
3. Is the patient still hospitalized?
 - YES → Continue to Step 4
 - NO (patient discharged) → Apply Condition Code W2
 - Patient status remains inpatient
 - Part A claim is cancelled
 - Allowable services rebilled under Part B
4. UR review completed and attending physician concurs?
 - YES → Apply Condition Code 44
 - Status changed to outpatient prior to discharge
 - Original inpatient order remains intact
 - Observation requires a separate physician order
 - NO → Patient remains inpatient
 - Disagreement documented

Chart for CC44 vs. CCW2 - reference

| Category | Condition Code 44 (CC 44) | Condition Code W2 (CC W2) |
|-------------------------------------|---|---|
| When identified | Before discharge | After discharge |
| Patient status | Changed to outpatient prior to discharge | Remains inpatient for entire stay |
| Status change allowed? | ✓ Yes — before discharge only | ✗ No — status cannot be changed post-discharge |
| Primary purpose | Corrects an incorrect inpatient admission in real time | Corrects an inappropriate inpatient admission after the fact |
| UR committee involvement | Required | Not required for status change (used for self-audit/rebill) |
| Physician concurrence | Required | Not applicable (admission already occurred) |
| Inpatient order | Must remain intact (not changed or backdated) | Remains intact |
| Observation status | Requires a separate physician order | Not applicable |
| Billing method | Billed as outpatient under OPPS | Part B rebill following Part A cancellation |
| Two-Midnight Rule impact | Applied prospectively | Applied retrospectively |
| Audit / oversight risk | Moderate if overused | Higher — closely scrutinized |
| Operational meaning | Prevention-focused correction | Failure identified after discharge |
| Best practice interpretation | Indicates active UR engagement | Indicates late review or process breakdown |