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**

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