Module 4 Knowledge Check

1. According to 42 CFR 412.3, who must make the inpatient admission decision?

- A. The case manager
- B. The bedside nurse
- C. A qualified physician or practitioner authorized to admit patients
- D. The billing department

2. The admitting practitioner must be knowledgeable about:

- A. The hospital cafeteria schedule
- B. The patient's hospital course, medical plan of care, and current condition
- C. Insurance company staffing models
- D. State tax regulations

3. Condition Code 44 is used when:

- A. A patient is transferred to another hospital
- B. An outpatient is converted to inpatient after discharge
- C. An inpatient admission is changed to outpatient before discharge
- D. A patient leaves against medical advice

4. Which of the following is required before using Condition Code 44?

- A. The patient must already be discharged
- B. Medicare must already be billed
- C. Physician concurrence with the UR committee determination
- D. A new inpatient order

5. Under Condition Code 44, observation services:

- A. Are automatically assumed once status changes
- B. Require a separate valid observation order
- C. Cannot be billed
- D. Replace the original inpatient order

6. Which statement regarding the original inpatient admission order under CC 44 is correct?

- A. It should be deleted from the chart
- B. It should be rewritten as an outpatient order
- C. It remains part of the permanent medical record

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- D. It must be backdated

7. According to Medicare regulations, can an attending physician unilaterally change a patient from inpatient to outpatient status without the UR process?

- A. Yes
- B. No
- C. Only on weekends
- D. Only if the patient agrees

8. Condition Code W2 applies when:

- A. The status change occurs before discharge
- B. A patient is upgraded from outpatient to inpatient
- C. The hospital determines after discharge that inpatient criteria were not met
- D. Observation services exceed two midnights

9. Under Condition Code W2, the patient's status:

- A. Changes to outpatient after discharge
- B. Remains inpatient for the entire stay
- C. Automatically converts to observation
- D. Is removed from the medical record

10. Frequent use of Condition Code 44 or W2 may suggest:

- A. Excellent front-end admission processes
- B. Overstaffing of utilization review
- C. Weak admission decision controls and upstream process failures
- D. Excessive outpatient surgery volume

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Answer Key with Explanations

1. C — A qualified physician or practitioner authorized to admit patients

Medicare regulations require that inpatient admission decisions be made by appropriately credentialed practitioners who are authorized and knowledgeable about the patient's condition.

2. B — The patient's hospital course, medical plan of care, and current condition

CMS guidance emphasizes that the admitting practitioner must understand the patient's current clinical situation and anticipated care needs before making an admission decision.

3. C — An inpatient admission is changed to outpatient before discharge

Condition Code 44 is specifically used when a hospital corrects an inpatient admission to outpatient status while the patient is still in the hospital.

4. C — Physician concurrence with the UR committee determination

The attending physician must concur with the UR committee's determination before a Condition Code 44 change can occur.

5. B — Require a separate valid observation order

Outpatient status does not automatically mean observation status. Observation services require their own physician order.

6. C — It remains part of the permanent medical record

The original inpatient order should never be deleted or rewritten. CC 44 corrects billing status, not the historical medical record.

7. B — No

Medicare requires that the utilization review process be followed. A physician cannot independently change inpatient status to outpatient without proper UR involvement.

8. C — The hospital determines after discharge that inpatient criteria were not met

Condition Code W2 applies to post-discharge determinations where inpatient admission was later found not medically necessary.

9. B — Remains inpatient for the entire stay

After discharge, there is no mechanism to retroactively change the patient's status to outpatient. W2 allows Part B rebilling but does not change the inpatient designation.

10. C — Weak admission decision controls and upstream process failures

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High CC 44 or W2 volume often indicates poor front-end admission processes, delayed reviews, or inadequate escalation workflows.

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