Principal diagnosis also known as terminal diagnosis—the condition established after study to be chiefly responsible for the patient’s admission. For hospice patients, this is the diagnosis most contributory to the patient having a life expectancy of six months or less if the illness runs its normal course.

Related Conditions—Clinically, related conditions are any physical or mental condition(s) that are related to or caused by either the terminal illness or the medications used to manage the terminal illness. Paolini, DO, Charlotte. (2001). Symptoms Management at End of Life. JAOA. 101(10). p609–615.

Those diagnoses will be used to manage ALL covered services
- MD visits
- ED/hospital visits
- Procedures/interventions
- Tests/labs
- Equipment
- Medications

Eligibility—In reaching a decision to certify that the patient is terminally ill, the hospice medical director must consider at least the following information:
1. Diagnosis of the terminal condition of the patient.
2. Other health conditions, whether related or unrelated to the terminal condition.
3. Current clinically relevant information supporting all diagnoses.

Significance of unrelated diagnoses
- Medicare services for a condition completely unrelated to the terminal condition for which hospice was elected remain available to the patient if he or she is eligible for such care.
- The CoPs at § 418.56(e)(4) require that the hospice IDG “provide for an ongoing sharing of information with other non-hospice healthcare providers furnishing services unrelated to the terminal illness and related conditions.”
- Hospices should report on hospice claims all coexisting or additional diagnoses that are related to the terminal illness; they should not report coexisting or additional diagnoses that are unrelated to the terminal illness.

Comorbidities—a term often misused in hospice. In medicine, comorbidity is the presence of one or more additional disorders (or diseases) co-occurring with a primary disease or disorder; or the effect of such additional disorders or diseases.

Coding Impact on Hospice Billing
Diagnoses codes are placed on the claim to indicate the terminal diagnosis and related conditions. Hospice is paid on a per diem basis for the care of the patient to include all medications and treatments (see above list) that are medically necessary for the terminal illness and related conditions. It is essential that the hospice is able to gather enough clinical information from the referring provider, the clinician and the medical director to ensure that the related diagnoses are identified. Any unrelated diagnoses should be substantiated as unrelated.