

DATE: 8/1/25

SUBJECT: Why Group Providers Must Affiliate Rendering Providers

Under **Federal Medicaid regulations** (including 42 CFR § 455.104 and 455.410) and consistent with **CMS and state-level guidance**, all **group providers** not explicitly exempt must have **affiliated, enrolled rendering providers** associated with their enrollment record.

Key Reasons:

1. **Claim Integrity and Federal Compliance**

Medicaid claims submitted by a group must identify the **individual rendering provider** who performed the service. This ensures compliance with federal law and enables accurate claim adjudication and oversight. Claims that do not include a valid rendering provider **cannot be processed**.

2. **Accountability and Program Integrity**

The rendering provider is the individual responsible for delivering care. Associating that person with the group ensures:

- Accurate billing
- Proper provider accountability
- Prevention of fraud, waste, and abuse

3. **Enrollment Screening Requirements**

All rendering providers must be **screened and enrolled** in Medicaid. This includes background checks, license verifications, and exclusion monitoring to ensure only qualified professionals deliver care to Medicaid members.

4. **Ordering, Referring, and Prescribing (ORP) Functions**

If a rendering provider also acts in an ORP role, their affiliation with a group helps ensure prescriptions, lab orders, and referrals are tied to enrolled, verified professionals.

5. **System Configuration and Claims Matching**

Medicaid's claims processing system verifies that the rendering provider:

- Is enrolled and in good standing
- Is affiliated with the billing group NPI
- Has an active and matching provider type/specialty for the service billed

If these conditions aren't met, the claim will **fail system edits and be rejected**.

What Groups Should Do:

- Ensure all rendering providers are **properly enrolled** in NM Medicaid.
- **Affiliate** rendering providers with the group's NPI through the New Mexico Provider and PED Enrollment System.

- Update affiliations **promptly** when adding or removing rendering providers.
- **Proactively updating affiliations** will help avoid delays in claims payment and enrollment processing.

The following Legacy Provider Types (column A from the [Provider Enrollment Matrix](#)) do **NOT** require a rendering provider on the application. If your provider type is not listed here, a rendering provider is required:

Exempt Provider Types

- 346 - Lodging, Meals
- 363 - Community Benefit Provider - MCO Only
- 401 - Ambulance, Air
- 402 - Ambulance, Ground
- 403 - Handivan
- 404 - Taxi or MCO General Transportation Contractor (non-capitated)
- 414 - DME

Affiliations are essential to maintaining compliance and ensuring uninterrupted payment for services rendered under the group NPI.

Regards,

The Health Care Authority (HCA) and the Medical Assistance Division (MAD)