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***Illinois Awards Program Integrity Contract to HMS***

NEW YORK, October 16, 2009 – HMS today announced that the Illinois Department of Healthcare and Family Services had awarded the company a two-year contract to provide onsite post-payment review of hospital Diagnosis Related Group (DRG) services in the Upstate Region. The scope of work will be performed by Permedion, Inc., the company’s wholly owned subsidiary.

HMS will support the state’s goal of consistent review of hospital claims for program compliance. The company will generate recoveries and cost savings to help safeguard Medicaid’s services against unnecessary and/or inappropriate payments, and will testify at administrative, civil, or criminal proceedings where warranted. “We are looking forward to a positive working relationship with HMS that will enable us to maximize financial recoveries for the State’s Medicaid program,” said the Department’s Inspector General John C. Allen IV.

Permedion, Inc. delivers DRG audit services and other medical necessity and utilization review services to Medicaid agencies in Ohio, Colorado, New Jersey, South Carolina, and Virginia.

**About HMS (NASDAQ:HMSY)**

HMS is the leader in coordination of benefits and program integrity services for government healthcare programs. The company’s clients include health and human services programs in more than 40 states, 100 Medicaid managed care plans, the Centers for Medicare and Medicaid Services (CMS), and Veterans Administration facilities. HMS helps ensure that healthcare claims are paid correctly and by the responsible party. As a result of the company’s services, government healthcare programs recover over \$1 billion annually, and avoid billions of dollars more in erroneous payments.

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