

PRESS RELEASE

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HMS Awarded Medicaid Audit Contract in South Carolina

NEW YORK, April 7, 2009 – HMS today announced that it had been awarded a contract for consulting and audit services for Medicaid overpayments from the South Carolina Department of Health and Human Services. The contract is for one year, with two optional renewal years.

HMS will support the State Program Integrity unit in the expansion of South Carolina's Medicaid claims review and recovery audit process, performing post-payment review of Medicaid claims from hospitals and other medical providers in a range of areas, including DRG coding, duplication of services, medical necessity, and various other overpayment issues. HMS will identify the overpayments and provide information to the state to allow for the recovery of the overpayments.

HMS, along with its wholly owned subsidiary, Permedion, has decades of experience working with state Medicaid agencies to target, review, and recover overpayments across the full scope of Medicaid service types. The company targets inappropriate payments using sophisticated data analytics and clinical review staff supplemented by an independent network of more than 400 physicians.

As part of this contract, HMS will work closely with providers in the state to educate them about best practices in coding and billing of Medicaid claims.

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, 90 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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