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Arizona Medicaid Program Awards Contract to HMS

NEW YORK, July 28, 2008 – HMS (NASDAQ: HMSY) announced today that it has won a competitive procurement to continue to provide revenue recovery and cost management services to the Arizona Health Care Cost Containment System (AHCCCS), which operates Arizona’s Medicaid Program. The contract runs through September 2009, and has four optional one-year extensions.

HMS has been providing services to AHCCCS since 1993, generating over \$90 million in recoveries. Under the new contract, HMS will continue to perform casualty and estate recovery, post-payment recovery, and cost avoidance services.

Said John Nystedt, Third Party Liability Administrator for AHCCCS, “AHCCCS pursues every opportunity to contain costs, which helps to ensure that our neediest citizens receive the healthcare services they deserve. I am glad to have HMS as our partner in these efforts.”

About HMS

HMS is the nation’s 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, 80 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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