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**University of Massachusetts Medical School
on Behalf of Executive Office of Health and Human Services
Awards Utilization Review Contract to HMS**
Contract Valued at \$17.2 million

NEW YORK, October 6, 2009 – HMS today announced that the University of Massachusetts Medical School on behalf of the Executive Office of Health and Human Services (EHS) Office of Medicaid has awarded a contract to Permedion, Inc., HMS’s wholly owned subsidiary, to provide utilization management of inpatient and outpatient services rendered to members of MassHealth. MassHealth is the Massachusetts Medicaid program. The company will review services provided to members at acute care hospitals and clinics, including medical and surgical services, for medical necessity as well as appropriateness and cost effectiveness of setting. The contract is for a three-year term, and may be renewed for an additional two-year period at the discretion of EHS.

“This contract underscores the value of the clinical review experience we bring to the market, and builds on our experience providing similar services to Medicaid agencies over the past 23 years, including 10 years for the Ohio Department of Job and Family Services,” said Maria Perrin, HMS Executive Vice President for Government Services. “We are honored to provide these services to the Commonwealth of Massachusetts.”

HMS has provided a range of cost management, revenue enhancement, and enrollment services to the MassHealth program since 1990. The company is also contracted to perform cost management services for the Commonwealth Care program administered by the Massachusetts Commonwealth Connector Authority.

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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