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*North Carolina Department of Health and Human Services  
Awards Contract to HMS for Third Party Liability and Cost Management Services*

NEW YORK, NY, February 1, 2010 – **HMS** today announced that it had been awarded a contract by the North Carolina Department of Health and Human Services (DHHS), Division of Medical Assistance (DMA), to provide **third party liability** (TPL) and **cost management services** for its Medicaid and Health Choice for Children programs. The contract has a two-year term, with an option to renew for an additional one-year period.

HMS's comprehensive suite of Medicare and commercial insurance recovery, credit balance audits, and **case management services** will help DHHS focus on their mission to provide access to high quality, medically necessary healthcare for eligible North Carolina residents through cost-effective purchasing of health care services and products.

"As a leading provider of cost containment solutions, we are well positioned to satisfy the State's demand for the highest levels of performance and reliability," said Maria Perrin, Executive Vice President of Government Services for HMS. We are pleased that North Carolina has awarded HMS this contract and look forward to helping them realize their revenue recovery and cost containment goals."

Medicaid and Health Choice for Children are programs within DHHS. The Health Choice program provides funding to extend healthcare coverage to roughly 130,000 children each month whose family income exceeds Medicaid financial eligibility criteria. Medicaid serves approximately 1.8 million people in North Carolina. DHHS's third party liability program currently saves the state more than \$200 million annually.

**About HMS (NASDAQ:HMSY)**

**HMS** is the nation's leader in coordination of benefits and program integrity services for healthcare payors. HMS's clients include health and human services programs in more than 40 states; commercial programs, including commercial plans, employers, and over 100 Medicaid managed care plans; the Centers for Medicare and Medicaid Services (CMS); and Veterans Administration facilities. As a result of the company's services, clients recover over \$1 billion annually, and save billions of dollars more in erroneous payments.

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