



NEWS

FOR IMMEDIATE RELEASE

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MAMSI Increases Presence in Charlotte Area with Carolinas HealthCare System Agreement

Research Triangle Park, NC -- Mid Atlantic Medical Services, Inc. (MAMSI) (NYSE:MME) announced today that it has entered into an agreement with Managed Health Resources, Inc. (MHR), a wholly owned subsidiary of the Carolinas HealthCare System (CHS). The addition of CHS increases the number of physicians, health care practitioners and facilities available to MAMSI health plan members throughout North Carolina. The terms of the agreement were not disclosed.

“At MAMSI Health Plans we are committed to providing outstanding customer service,” said Shel Orkin, General Manager of MAMSI’s North Carolina region. “An important component of outstanding customer service is giving our health plan members access to a large number of highly qualified physicians, health care practitioners and facilities. Our agreement with CHS demonstrates our commitment to outstanding customer service.”

About 550 physicians are affiliated through Carolinas Physician Network (CPN). CHS operates 12 acute care hospitals and multiple outpatient surgery centers, behavioral health centers, skilled nursing facilities, home health agencies and a home infusion provider. CHS’s physicians and facilities are located in eight counties in North Carolina including Mecklenburg, Anson, Avery, Burke, Cleveland, Iredell, Lincoln and Union counties.

“Carolinas HealthCare System and Carolinas Physician Network are excited to be able to care for MAMSI health plan members. It is our desire to work with all high quality, managed care organizations and we believe MAMSI health plans fall into that category,” said Russ Guerin, President Managed Health Resources.

“This is a significant accomplishment for the North Carolina region and our new management team,” said Thomas P. Barbera, CEO of MAMSI. “The new agreement with CHS assures that we have brought the fundamentals of our business model to our North Carolina operations: outstanding customer service, disciplined pricing and product diversification.”

MAMSI is one of the Mid-Atlantic region’s largest health services companies with subsidiaries covering over 1.8 million lives in Maryland, Washington, D.C., Delaware, North Carolina, Pennsylvania and West Virginia. Its health plans in North Carolina include Alliance PPO, LLC (Alliance), MAMSI Life and Health Insurance Company (MLH) and Optimum Choice of the Carolinas, Inc. (OCCI). For more information about MAMSI, visit www.mamsi.com.

Note 1: Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: All forward-looking information or statements contained in this release, including expectations regarding future or continued performance, are based on management’s current knowledge of factors, all with inherent risks and uncertainties, affecting MAMSI’s business. MAMSI’s actual results may differ materially if these assumptions prove invalid. Significant risk factors, while not all-inclusive, are: the possibility of increasing price competition in the Company’s marketplace; the possibility that the Company is not able to increase its market share at the anticipated premium rate; the possibility of increased litigation, legislation or regulation that might increase regulatory oversight which, in turn, would have the potential for increased costs; the possibility of increased medical expenses due to increased utilization, inflation or legislative mandates; and the possibility that the Company is not able to negotiate new or renewal contracts with appropriate physicians and health care practitioners. Investors should review other risks and uncertainties contained in Company documents filed with the Securities and Exchange Commission.

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