



NEWS

FOR IMMEDIATE RELEASE

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MAMSI Highlights Third Quarter 2001 Conference Call

Rockville, Md. – Mid Atlantic Medical Services, Inc. (MAMSI) (NYSE: MME) today announced some of the highlights from its conference call to discuss financial results for the third quarter of 2001. The solid results for this quarter reflect the management team's commitment to the fundamental elements of the Company's business model -- member access to an extensive practitioner network, disciplined pricing and dedication to excellent service -- and continue the positive trend of strong, reliable earnings growth.

During the conference call, MAMSI's management team commented on the following:

MAMSI continues to deliver on its commitment to disciplined pricing. For the third quarter of 2001, commercial health premiums totaled \$443,092,000, an increase of \$90,000,000 or 25.5% over the third quarter of 2000. Commercial health premiums increased \$9,967,000 or 2.3% over the second quarter of 2001. Commercial health premiums for the third quarter of 2001 were up 12.1% on a per member per month basis over the third quarter of 2000.

The Company continues to exceed membership growth targets. As of September 30, 2001, MAMSI added approximately 87,000 new commercial members, an increase of 11.4% over year-end 2000. MAMSI's health plans have industry-high retention rates ranging from 88 to 96 percent.

MAMSI's health plan customers appreciate the commitment to excellent customer service. For the second year in a row, MD-Individual Practice Association, Inc. (M.D. IPA) was the highest-rated health plan in the Federal Employee Health Benefit Program for Maryland and the District of Columbia, including customer service and overall plan satisfaction. Also, M.D. IPA and Optimum Choice, Inc.® (OCI) both consistently earned either average or above average ratings in the recently released Maryland Health Care Commission's annual report card.

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., Virginia, Delaware, North Carolina, Pennsylvania and West Virginia. 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.

Note 2: MAMSI is a regional holding company for health care organizations that provides comprehensive health insurance products and services including: three health maintenance organizations, MD-Individual Practice Association, Inc. (M.D. IPA), Optimum Choice, Inc.® (OCI) and Optimum Choice of the Carolinas, Inc. (OCCI); a preferred provider organization, Alliance PPO, LLC; a life and health insurance company, MAMSI Life and Health Insurance Company (MLH); and home care companies such as HomeCall, Inc., FirstCall, Inc., and HomeCall Pharmaceutical Services, Inc.

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