



NEWS

FOR IMMEDIATE RELEASE
April 29, 2002

FOR MORE INFORMATION:
Elizabeth Sammis 301-838-5638

MAMSI Settles Arbitration Action

Rockville, Md. -- Mid Atlantic Medical Services, Inc. (MAMSI) (NYSE: MME), one of the Mid-Atlantic region's largest health services companies, announced today that a settlement has been reached in the pending arbitration between MAMSI and Merck-Medco Managed Care, LLC (Merck) and related entities concerning Merck's obligations under the Integrated Drug Program Master Agreement for the fiscal year ended 2000. The Company filed a Form 8-K today regarding the settlement.

MAMSI's subsidiaries cover over 1.9 million lives in Maryland, Washington, D.C., Virginia, Delaware, North Carolina, Pennsylvania and West Virginia. For more information about the Company, visit www.mamsi.com.

Note 1: Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: All forward-looking information contained in this release is 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 service area; the effect on the Company due to a weaker economy; the effect on the Company due to the recent acts of terrorism and any future attacks; the possibility that the Company is not able to increase its market share at the anticipated premium rates; the possibility of increased litigation, legislation or regulation (such as the numerous class action lawsuits that have been filed against managed care companies and the pending initiatives to increase health care regulation) that might increase regulatory oversight which, in turn, would have the potential for increased costs; the inability to predict and control medical expenses due to increased utilization by the Company's membership, increased practitioner and pharmaceutical costs, federal or state mandates that increase benefits or limit the Company's oversight ability, existing disputes under risk-transfer or risk-sharing arrangements, the Company's ability to maintain and renew these arrangements, and any future disputes under such arrangements; and the possibility that the Company is not able to negotiate new or renewal contracts with appropriate physicians, other health care practitioners, hospitals and facilities.

Note 2: MAMSI is a regional holding company whose subsidiaries include: 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); a coordination of benefits company, Alliance Recovery Services, LLC (ARS); and home care companies such as HomeCall, Inc., FirstCall, Inc., and HomeCall Pharmaceutical Services, Inc.