



NEWS

FOR IMMEDIATE RELEASE
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MAMSI HMOs Receive Excellent Accreditation

Rockville, Md. -- Mid Atlantic Medical Services, Inc. (MAMSI) (NYSE: MME)), one of the mid-Atlantic region's largest health services companies, announced today that its two largest HMOs, MD-Individual Practice Association, Inc. (M.D. IPA) and Optimum Choice, Inc. (OCI), have once again received Excellent Accreditation from the National Committee for Quality Assurance (NCQA) for their HMO and POS products.

"We appreciate this important recognition by the NCQA," said Mark D. Groban, M.D., Chairman of the Board. "It reaffirms that our commitment to providing access to high-quality affordable health care and excellent customer service backed by our strong partnership with participating physicians is key to being an industry leader."

"Excellent" Accreditation is reserved for those health plans that deliver the highest quality of services and whose clinical and administrative systems meet or exceed NCQA's rigorous requirements for consumer protection and quality improvement. To earn this designation, health plans must achieve top scores in the following five categories: access and service; qualified providers; staying healthy; getting better; and living with illness.

"Achieving NCQA's Excellent Accreditation status, NCQA's highest accreditation level, is a significant achievement," said Margaret E. O'Kane, NCQA President. "It is only awarded to those plans that meet or exceed NCQA's rigorous requirements for consumer protection and quality improvement and have HEDIS® results in the highest range of national performance."

NCQA is an independent, not-for-profit organization dedicated to measuring the quality of America's health care. Its mission is to improve the quality of health care to people everywhere. The NCQA Accreditation process is an evaluation of how a health plan ensures that its members are receiving high-quality care.

MAMSI's subsidiaries operate in Maryland, Virginia, North Carolina, Pennsylvania, West Virginia, Delaware and Washington, D.C. For more information, visit www.mamsi.com.

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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, the potential for disputes under its risk-sharing arrangements, and the Company's ability to maintain and renew these 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.

The list of significant risk factors is not intended to be exhaustive. There may be other risk factors that would preclude the Company from realizing the predictions made in the forward-looking statements. While the Company may periodically update this discussion of risk factors, the Company does not undertake to update any forward-looking statement that may be made by or on behalf of the Company prior to its next filing with the Securities and Exchange Commission.

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., HomeCall Pharmaceutical Services, Inc., and HomeCall Hospice Services, Inc.

HEDIS® is a registered trademark of the National Committee for Quality Assurance.