



NEWS

FOR IMMEDIATE RELEASE

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MAMSI HMO Recognized for Effectiveness of Care

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 large HMO, MD-Individual Practice Association, Inc. (M.D. IPA), was the only health plan serving Maryland, the District of Columbia and Virginia to receive the distinction of recognition from the National Committee for Quality Assurance (NCQA) for delivering high quality health care in its HEDIS® Effectiveness of Care Measures.

The NCQA identified the top five organizations in HEDIS® Effectiveness of Care Measures by regions in its report *The State of Health Care Quality: 2003.* HEDIS® Effectiveness of Care Measures look at the clinical quality of care delivered within a health plan. The measures include preventive care, keeping members healthy, helping members get better and helping members cope with chronic illness.

"Each day, our employees work hard to improve the lives of our health plan members by delivering outstanding customer service and providing access to quality health care," said Mark D. Groban, M.D., Chairman of the Board. "This recognition by NCQA is a tribute to our dedicated employees and to our physician partners."

NCQA is a private, not-for-profit organization dedicated to improving health care quality. NCQA accredits and certifies a wide range of health care organizations, recognizes physicians and physician groups in key clinical areas and manages the evolution of HEDIS®, the tool the nation's health plans use to measure and report on their performance. NCQA is committed to providing health care quality information through the Web, media and data licensing agreements in order to help consumers, employers and other make more informed health care choices.

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 (Alliance); 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., an Home Call Pharmaceutical Services, Inc. For more information about the Company, visit its Web site, 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 of a weak economy on the Company; the effect on the Company due to the acts of terrorism and the threat of 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 have the potential for increased costs, and/or increased regulation of rates which might have the potential to decrease revenue; 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 ultimate accuracy of the Company's estimate of the liability for incurred but not reported claims, 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 required filing with the Securities and Exchange Commission.

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