



NEWS

FOR IMMEDIATE RELEASE
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MAMSI Highlights Fourth Quarter and Year-End 2001 Conference Call

Rockville, Md. – Mid Atlantic Medical Services, Inc. (MAMSI) (NYSE: MME), one of the mid-Atlantic region's largest health services companies, today announced some of the highlights from its conference call to discuss financial results for the fourth quarter and year-end 2001.

MAMSI's unwavering commitment to the fundamental elements of its business model – disciplined pricing, dedication to excellent service and member access to an extensive practitioner network – has delivered reliable earnings growth. For the year 2001, MAMSI's net income increased 45% and earnings per share increased 41%. Commercial health premiums for the year totaled approximately \$1.7 billion, an increase of \$336 million or 24% over 2000's total of approximately \$1.4 billion.

Membership in MAMSI's health insurance plans continues to grow. The Company's year-end 2001 commercial membership increased by 13.4 percent over year-end 2000 to total 865,100 covered lives. During January 2002, over 72,600 new members joined its health insurance plans – the largest ever January commercial membership increase. Located in a region poised for economic growth and recognized for its diversified products and excellent customer service, MAMSI believes it will continue to grow and announced that the Company has increased its 2002 net membership growth target to between 10.5 and 11 percent.

Continued product diversification and new easy-to-use Web-based services have positioned MAMSI as a market leader in employee benefits in the mid-Atlantic region. During 2001, in addition to growth in its health insurance and ancillary products, the Company has increased sales in its coordination of benefits services. Its Web site now offers real-time services to members, employers, physicians, health care practitioners and facilities.

For more information about the Company, 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, 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 (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., and HomeCall Pharmaceutical Services, Inc.