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## **HMS ACQUIRES PRUDENT Rx TO EXPAND PHARMACY AUDIT CAPABILITIES**

NEW YORK, September 15, 2008— HMS (NASDAQ: HMSY) today announced that it has entered into a definitive agreement to acquire the business of Prudent Rx, Inc., an independent pharmacy audit and cost containment company based in Culver City, California. With this acquisition, HMS further expands its portfolio of program integrity service offerings for government healthcare programs and managed care organizations.

“Auditing pharmacy providers and pharmacy claims is a critical component of a healthcare cost containment program,” said Bill Lucia, President of HMS. “It is often the only way to deal with pharmacy fraud, billing errors, and abuse by patients and physicians. Prudent Rx offers expert management and consulting services based on extensive industry knowledge, experience, and a proven track record.”

Russell Dates, co-founder of Prudent Rx, added, “As a part of HMS, Prudent Rx is perfectly positioned to expand its reach to Medicaid, Medicare, and other government-sponsored healthcare programs and to grow its service offerings. We are excited to be a part of HMS’s strategy to bring the entire range of program integrity services to the market through a single source.”

Prudent Rx was founded in 1994. HMS will continue the use of the Prudent Rx brand.

The purchase price was approximately \$4 million with additional future payments contingent upon meeting certain financial performance thresholds. It is anticipated that the acquisition of Prudent Rx will not have a material effect on HMS’s 2008 earnings.

### **About HMS**

HMS Holdings Corp. (NASDAQ: HMSY) is the nation's leader in coordination of benefits and program integrity services for government healthcare programs. The company's clients include health and human services programs in more than 40 states, 80 Medicaid managed care plans, the Centers for Medicare and Medicaid Services (CMS), and Veterans Administration facilities. HMS helps ensure that healthcare claims are paid correctly and by the responsible party. As a result of the company's services, government healthcare programs recover over \$1 billion annually, and avoid billions of dollars more in erroneous payments.

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