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AmeriHealth Mercy, MDwise Hoosier Alliance Awarded Statewide Medicaid Managed Care Contract

Philadelphia, PA (August 9, 2006) - AmeriHealth Mercy announced today that it will serve as a statewide delivery system for MDwise, Inc., who was selected to provide statewide Medicaid managed care services for the Indiana Family and Social Services Administration's Hoosier Healthwise program. Hoosier Healthwise is Indiana's health coverage program for low-income families and children. The new contract starts January 1, 2007 and runs through 2010.

MDwise is one of three managed care plans selected to serve approximately 535,000 eligible Hoosier Healthwise Medicaid members. Key to MDwise's winning bid was the collaboration with AmeriHealth Mercy, as MDwise was previously limited to working with hospital-based provider systems. AmeriHealth Mercy's delivery system, called MDwise Hoosier Alliance, will accept provider applications from all eligible Indiana Medicaid providers.

"We are pleased to be awarded this statewide contract with MDwise and provide health care coverage to Indiana's low-income families and children," said Daniel J. Hilferty, President and CEO of AmeriHealth Mercy. "MDwise and AmeriHealth Mercy have a shared mission of serving the poor and disadvantaged and have designed proven programs that work for providers, Medicaid beneficiaries and state governments. These successful programs have an emphasis on provider involvement, quality improvement and an understanding of the populations they serve."

Charlotte A. MacBeth, President of MDwise, said that MDwise would utilize its arrangement with AmeriHealth Mercy, a national Medicaid managed care organization, to enhance its business model to include providers beyond those who are affiliated with hospital systems for the first time. "We now have a Medicaid-focused, experienced collaborator who will work directly with local providers and allow us to expand our provider-focused approach statewide," added MacBeth.

MDwise is a not-for-profit corporation, created by hospitals, which began its operation in 1994. Today, MDwise provides Hoosier Healthwise services to approximately 122,000 members in partnership with 440 primary medical providers and approximately 2,800 specialists through its delivery systems. For more information about MDwise, visit www.mdwise.org.

With nearly 25 years of experience exclusively serving the Medicaid population, AmeriHealth Mercy and its affiliates comprise the largest family of Medicaid managed care plans in the United States, touching the lives of more than 2 million members in sixteen states. For more information on AmeriHealth Mercy, visit www.amerhealthmercy.com.