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News for Immediate Release

The State of Maryland Selects Healthcare Data Management to Audit Employee and Retiree Health Benefits

King of Prussia, PA (April 30, 2007) – Healthcare Data Management, Inc. (HDM), a leading source of cost reduction, expense management, and compliance services for self-insured employers, is pleased to announce it has entered into a five-year contractual agreement with the Maryland State Employees and Retirees Benefits Program to perform audits of all medical, dental, prescription, flexible spending account, and mental health programs.

HDM will provide auditing services to the State's Employee and Retiree Health Program from a clinical, administrative and operational perspective. The audits will include: administrative/ operational procedures, claims, performance guarantees, compliance with contract terms, and a review of the vendor's internal audits. Involved in these audits will be a review of the adequacy of the internal programs and assurance that all applicable credits have been applied to the State's accounts. Under the prescription audit a review of retail pharmacy contracts, data management, and pharmaceutical manufacturer, contracts will be included to assure pass-through pricing, rebates and discounts. The contract runs through July 31, 2011.

"Since HDM's inception in 1992, the company's goal has been to provide immediate savings to employer groups by maximizing the value and accountability of their health benefit programs," said William Conlan, President of HDM. "We're proud that the State of Maryland has selected HDM to be their provider of an ongoing independent audit specifically designed to reduce their cost, manage expense risks, and comply with government audit requirements."

"Our audit approach with the Employees and Retirees Benefits Program will focus on identification, verification, and prevention," said David McSweeney, Chief Operating Office of HDM. "Such an audit can result in significant savings to the State of Maryland since not only are healthcare audits essential, but proven to be invaluable to self-insured employers."

About The Maryland State Employees and Retirees Benefits Program

The Maryland State Employees and Retirees Benefits Program is responsible for administering health care and other related benefits programs for State employees and retirees, satellite agencies, Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation of coverage participants, and contractual employees. The State Program has approximately 70,000 active employees 40,000 and retirees. Total benefits costs for FY 2007 is expected to be approximately \$981 million.

About HDM

Founded in 1992, Healthcare Data Management, Inc. (HDM) is a leading independent provider of fully-integrated benefits analysis and financial reporting solutions for leading employer groups with self-insured health plans, including Fortune 500 companies, government agencies, and labor groups. HDM offers a partnership in healthcare expense management and provides pioneering solutions – customized by an employer's data, procedures, and contracts – to reduce their cost, manage expense risks, and comply with Sarbanes-Oxley or government audit requirements.