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Mississippi's PEER Committee Releases Report Supporting Recent Restructuring of Medicaid Non-Emergency Transportation Program

Jackson, Miss. and ATLANTA. The Mississippi Legislature has released a report - "A Review of the Mississippi Division of Medicaid's Non-Emergency Transportation Program" - conducted to determine the impact of using the brokerage model to provide transportation to the state's Medicaid recipients. The report was produced by the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee).

The Committee compared the program's current costs and service quality delivered by LogistiCare against prior cost and performance. The Committee's findings were:

- "Using a conservative method of estimation, PEER projects that the Division of Medicaid's brokered contract yielded \$1.1 million in cost avoidance during the last eight months of FY 2007. In the future, such a contract should achieve at least a comparable amount annually."
- "PEER found no basis for concern that service delivery of the NET program has suffered under the brokerage contract between the Division of Medicaid and LogistiCare."

The full report is available on the State of Mississippi's PEER website - <http://www.peer.state.ms.us/2008.html> .

Created by the Mississippi Legislature by statute in 1973, the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) identifies inefficiency, ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. The Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee then releases reports to the Legislature, Governor, Lieutenant Governor, and the agency examined.

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About LogistiCare

LogistiCare has been providing Non Emergency Transportation in Mississippi through the state's Division of Medicaid since November 2006. The Mississippi contract, which LogistiCare manages from its offices in Jackson and Oxford, covers more than 400,000 Medicaid recipients,

LogistiCare is the nation's leading Medicaid transportation management company.

Proprietary software, innovative management strategies, and a proven record of creating budget stability and quality improvements for our clients distinguish LogistiCare as the leader in its field.

From its corporate office in Atlanta and its numerous state-based operations nationwide, LogistiCare manages a national network of more than 1,100 transportation companies that provide more than 17 million trips to customers annually. LogistiCare's clients have

included state Medicaid agencies, school boards, transit authorities, hospital systems and many of the nation's largest MCOs. For more information, visit www.logisticare.com.

About Providence Service Corporation

LogistiCare is a subsidiary of Providence Service Corporation. Providence Service Corporation, through its owned and managed entities, provides home and community based social services to government sponsored clients under programs such as welfare, juvenile justice, Medicaid and corrections. Providence operates no beds, treatment facilities, hospitals, or group homes preferring to provide services in the client's own home or other community setting. Through its owned and managed entities, Providence maintains 773 government contracts in 35 states, the District of Columbia and British Columbia as of September 30, 2007.

Certain statements herein, such as any statements about Logisticare's operations and growth, constitute "forward-looking statements" within the meaning of the private Securities Litigation Reform Act of 1995. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause Providence's actual results or achievements to be materially different from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, reliance on government-funded contracts, risks associated with government contracting, risks involved in managing government business, legislative or policy changes, challenges resulting from growth or acquisitions, adverse media and legal, economic and other risks detailed in Providence's filings with the Securities and

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