

United American Healthcare Corporation Subsidiary Submits Response to TennCare RFP

DETROIT, March 25, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- United American Healthcare Corporation (Nasdaq: UAHC), today announced that its wholly owned subsidiary, UAHC Health Plan of Tennessee, Inc. ("UAHC Health Plan"), has submitted a joint proposal with Molina Healthcare, Inc. ("Molina") to apply for managed care services contracts with the State of Tennessee, Bureau of TennCare for the TennCare East and West Grand Regions. The joint proposal was pursuant to a TennCare Request for Proposals for the two Regions issued January 7, 2008.

The Company also filed a Form 8-K Current Report with the U.S. Securities and Exchange Commission disclosing a stock purchase agreement that it has entered into with Molina. Under the purchase agreement, if the joint proposal results in receiving a TennCare contract for at least one of the Regions, Molina would become a part owner of UAHC Health Plan by purchasing newly issued shares of UAHC Health Plan stock from UAHC Health Plan. Molina would acquire either a 19.9% or 49.9% equity interest in UAHC Health Plan, depending on whether a TennCare contract is received for only one or both Regions, respectively. The purchase agreement provides for a related shareholder agreement among Molina, United American of Tennessee, Inc. (the Company's wholly owned first-tier subsidiary which wholly owns UAHC Health Plan) and UAHC Health Plan if the joint proposal is successful. In that agreement, among other things, United American of Tennessee, Inc. would grant Molina an option to purchase United American of Tennessee, Inc.'s remaining equity interest in UAHC Health Plan exercisable at a future date.

"Based on UAHC Health Plan's more than 14 years in the TennCare system, and Molina Healthcare's extensive experience serving a variety of Medicaid and low-income populations, we believe we have made a strong joint proposal to serve the TennCare East and West Grand Regions in this highly competitive RFP process," said William C. Brooks, president, chairman and CEO of United American Healthcare. "We are pleased to have the opportunity to collaborate with the talented management at Molina who, like us, have a long-standing commitment to quality care for all of their members. We look forward to TennCare's announcement of its award of the contracts, which is scheduled for April 22, 2008."

About United American Healthcare Corporation

United American Healthcare Corporation (UAHC) is a full-service healthcare management company, pioneering the delivery of healthcare services to Medicaid recipients since 1985. UAHC owns and manages UAHC Health Plan, which is based in western Tennessee and includes the Memphis market. UAHC provides access to more than 900 primary and specialty care physicians and more than 19 hospitals to the approximately 103,000 members of UAHC Health Plan. For more information, please visit the Company's web site at www.uahc.com.

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