

Press Release

For: Dialysis Corporation of America

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For Immediate Release

Dialysis Corporation of America Announces Inclusion in New NASDAQ Healthcare Index

Linthicum, Maryland, August 1, 2005 – Dialysis Corporation of America (NASDAQ-DCAI) announced that it has been selected by The NASDAQ Stock Market (NASDAQ: NDAQ) as a founding member of the newly launched NASDAQ Health Care Index. The Healthcare Index (Symbol: IXHC) is a market value weighted index that contains NASDAQ-listed companies classified, according to the FTSE™ Global Classification System, as “Health,” “Pharmaceutical” or “Biotechnology.” These classifications include health maintenance organizations, hospital management and long-term care, medical equipment and supplies, other health care, biotechnology, and pharmaceutical companies.

Company President & CEO Stephen Everett said: “It is very gratifying to be included as a founding member of this index, which will provide market investors with new avenues to own shares in DCA and other companies within the healthcare industry.”

Separately, the company reaffirmed that its merger with Medicare, Inc. (NASDAQ-MDKI) is intended to be completed once the Securities Exchange Commission has completed its review, which is anticipated shortly.

Dialysis Corporation of America owns and operates freestanding kidney hemodialysis centers located in Georgia, Maryland, New Jersey, Ohio, Pennsylvania, South Carolina, and Virginia, and provides in-hospital dialysis services on a contract basis to certain hospitals located in those states. The company provides patients with their choice of a full range of quality in-center, acute or at-home hemodialysis services.

This release contains forward-looking statements that are subject to risks and uncertainties that could affect the business and prospects of the company and cause actual results and plans to differ materially from those anticipated. Those factors include, but are not limited to, maintaining continued growth and profitability, certain delays beyond the company’s control with respect to future business events, the highly competitive environment in the establishment and operation of dialysis centers, the ability to develop or acquire additional dialysis facilities, whether patient bases of the company’s facilities can mature to provide profitability, regulation of dialysis operations, government rate determination for Medicare reimbursement, and other risks detailed in the company’s filings with the Securities and Exchange Commission (“SEC”), particularly as described in the company’s registration statement on Form S-4 relating to its merger with its parent, Medicare, Inc. (NASDAQ-MDKI), pending with the SEC, and in its annual report on Form 10-K for the fiscal year ended December 31, 2004. Other Dialysis Corporation of America press releases, corporate profile, corporate governance materials, quarterly and current reports, and other filings with the SEC are available on Dialysis Corporation of America’s internet home page: <http://www.dialysiscorporation.com>.