

HEALTHWAYS, INC  
Form 5  
October 15, 2008

**FORM 5**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person \*  
HERR HENRY D

(Last) (First) (Middle)

701 COOL SPRINGS BLVD

(Street)

FRANKLIN, TN 37067

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
HEALTHWAYS, INC [HWAY]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
08/31/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Reporting

(check applicable line)

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	11/23/2007	^	G	(A) or (D) Price 2,350 (1) D \$ 0	304,299 (2) (3)	D	^
Common Stock	^	^	^	^ ^ ^	18,491 (3)	I	Held by Henry D. Herr 2006 Healthways GRAT
Common Stock	^	^	^	^ ^ ^	4,606 (1) (3)	I	Held in trust controlled by spouse

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Common Stock    Â                    Â                    Â                    Â                    Â                    Â                    3,462                    I                    Held in 401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Option to Buy	\$ 46.45	Â	Â	Â	Â Â	02/14/2012 02/14/2015	Common Stock	5,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HERR HENRY D 701 COOL SPRINGS BLVD FRANKLIN, TN 37067	Â X	Â	Â	Â

## Signatures

/s/ Mary A. Chaput, by power of attorney for Henry D. Herr 10/15/2008

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Of the 2,350 shares gifted on November 23, 2007, 350 shares were given to a trust controlled by the reporting owner's spouse.

Upon maturity of the Henry D. Herr 2005 American Healthways GRAT on November 15, 2007, 6,106 shares were transferred to the reporting owner, and 1,646 shares were transferred into a trust controlled by the reporting owner's spouse. These shares were transferred pursuant to the terms of the GRAT and were not reportable transactions under Rule 16a-13.

(3)

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Of the 30,000 shares held by the 2006 GRAT, 11,509 were transferred from the GRAT to the reporting owner as grantor on October 17, 2007. These shares were transferred pursuant to the terms of the GRAT and were not reportable transactions under Rule 16a-13.

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