

KELLIHER MATTHEW  
 Form 4  
 January 02, 2009

**FORM 4**

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).

**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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**KELLIHER MATTHEW**

(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. Date of Earliest Transaction  
 (Month/Day/Year)  
 12/30/2008

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)  
 President, International

6. Individual or Joint/Group Filing(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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock				(A) or (D) Code V Amount (D) Price	337	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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SEC 1474 (9-02)

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

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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)	Amount or Number of Shares
Option to Buy	\$ 43.44	12/30/2008		D	13,092	08/24/2009 08/24/2012	Common Stock	13,092
Option to Buy	\$ 42.69	12/30/2008		D	12,445	10/02/2010 10/02/2013	Common Stock	12,445
Option to Buy	\$ 55.01	12/30/2008		D	12,543	10/08/2011 10/08/2014	Common Stock	12,543

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KELLIHER MATTHEW 701 COOL SPRINGS BLVD FRANKLIN, TN 37067			President, International	

## Signatures

/s/ Mary A. Chaput, by power of attorney for Matthew Kelliher 01/02/2009

\*\*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) On December 30, 2008, the issuer cancelled, pursuant to the issuer's option purchase program, an option granted to the reporting person on August 24, 2005. In exchange for the option, the reporting person received \$3,796.68.
  - (2) On December 30, 2008, the issuer cancelled, pursuant to the issuer's option purchase program, an option granted to the reporting person on October 2, 2006. In exchange for the option, the reporting person received \$6,098.05.
  - (3) On December 30, 2008, the issuer cancelled, pursuant to the issuer's option purchase program, an option granted to the reporting person on October 8, 2007. In exchange for the option, the reporting person received \$6,396.93.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.