

HERR HENRY D
Form 4
October 18, 2005

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 *
HERR HENRY D

2. Issuer Name and Ticker or Trading Symbol
AMERICAN HEALTHWAYS INC
[AMHC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

AMERICAN HEALTHWAYS,
INC., 3841 GREEN HILLS
VILLAGE DRIVE

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
10/17/2005

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

NASHVILLE, TN 37215

(City) (State) (Zip)

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

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 Indirect Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	10/17/2005		M		37,500	A	\$ 2.48	491,114	D
Common Stock	10/17/2005		M		45,000	A	\$ 2.07	536,114	D
Common Stock	10/17/2005		M		45,000	A	\$ 1.89	581,114	D
Common Stock	10/17/2005		M		50,002	A	\$ 11.58	631,116	D
	10/17/2005		S		177,502	D		453,614	D

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Common Stock					\$			
					39.0866			
Common Stock	10/17/2005		S	50,000	D	\$	403,614	D
						39.1125		

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

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(9-02)

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)	Amount or Number of Shares
Option to Buy	\$ 2.48	10/17/2005		M	37,500	09/29/1999 ⁽¹⁾ 09/29/2008	Common Stock	37,500
Option to Buy	\$ 2.07	10/17/2005		M	45,000	11/12/2000 ⁽²⁾ 11/12/2009	Common Stock	45,000
Option to Buy	\$ 1.89	10/17/2005		M	45,000	09/29/2001 ⁽³⁾ 09/29/2010	Common Stock	45,000
Option to Buy	\$ 11.58	10/17/2005		M	50,002	10/08/2002 ⁽⁴⁾ 10/08/2011	Common Stock	50,002

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

HERR HENRY D
AMERICAN HEALTHWAYS, INC.
3841 GREEN HILLS VILLAGE DRIVE
NASHVILLE, TN 37215

X

Signatures

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

10/18/2005

__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) Option vested 25% per year beginning on 9/29/1999.
- (2) Option vested 25% per year beginning on 11/12/2000.
- (3) Option vested 25% per year beginning on 9/29/2001.
- (4) Option vested 25% per year beginning on 10/8/2002.
- (5) Information in this column is left blank because the transaction represents the conversion of a security.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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