

HEALTHWAYS, INC
Form 4
May 29, 2007

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 *
HUNTER MARY D

(Last) (First) (Middle)

3841 GREEN HILLS VILLAGE DR

(Street)

NASHVILLE, TN 37215

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
05/24/2007

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)

Executive Vice President

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 or Price | | |
| Common Stock | 05/24/2007 | | M | | 2,000 A \$ 11.58 | 2,000 | D |
| Common Stock | 05/24/2007 | | S | | 2,000 D \$ 47.50 | 0 | D |
| Common Stock | 05/25/2007 | | M | | 28,000 A \$ 11.58 | 28,000 | D |
| Common Stock | 05/25/2007 | | M | | 20,000 A \$ 7.24 | 48,000 | D |
| Common Stock | 05/25/2007 | | S | | 48,000 D \$ 47.51 | 0 | D |

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| | | | |
|-----------------|-------|---|---------------------------|
| Common Stock | 3,751 | I | Held in 401(k) Plan |
|-----------------|-------|---|---------------------------|

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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 | \$ 11.58 | 05/24/2007 | | M | 2,000 | 10/08/2002 ⁽¹⁾ 10/08/2011 | Common Stock | 2,000 |
| Option to Buy | \$ 11.58 | 05/25/2007 | | M | 28,000 | 10/08/2002 ⁽¹⁾ 10/08/2011 | Common Stock | 28,000 |
| Option to Buy | \$ 7.24 | 05/25/2007 | | M | 20,000 | 08/27/2003 ⁽²⁾ 08/27/2012 | Common Stock | 20,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

HUNTER MARY D
3841 GREEN HILLS VILLAGE DR
NASHVILLE, TN 37215

Executive Vice President

Signatures

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

05/29/2007

__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 vests 25% per year beginning on 10/8/2002.

(2) Option vests 25% per year beginning on 8/27/2003.

(3) 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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