

HEALTHWAYS, INC  
Form 10-Q  
May 09, 2013

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended March 31, 2013

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-19364

HEALTHWAYS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

62-1117144  
(I.R.S. Employer  
Identification No.)

701 Cool Springs Boulevard, Franklin, TN 37067  
(Address of Principal Executive Offices) (Zip Code)

615-614-4929  
(Registrant's Telephone Number, Including Area Code)

(Former name, former address and former fiscal year, if  
changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§

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232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of May 6, 2013, there were outstanding 34,197,574 shares of the registrant's common stock, par value \$.001 per share.

2

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Healthways, Inc.  
Form 10-Q  
Table of Contents

	Page
Part I	
Item 1. Financial Statements	4
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	19
Item 3. Quantitative and Qualitative Disclosures About Market Risk	30
Item 4. Controls and Procedures	31
Part II	
Item 1. Legal Proceedings	32
Item 1A. Risk Factors	33
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	33
Item 3. Defaults Upon Senior Securities	33
Item 4. Mine Safety Disclosures	33
Item 5. Other Information	33
Item 6. Exhibits	33

## Part I

Item 1. Financial  
Statements

HEALTHWAYS, INC.  
CONSOLIDATED BALANCE SHEETS  
(In thousands)  
(Unaudited)

ASSETS

	March 31, 2013	December 31, 2012
Current assets:		
Cash and cash equivalents	\$ 2,384	\$ 1,759
Accounts receivable, net	92,554	108,337
Prepaid expenses	8,915	9,727
Other current assets	9,237	7,227
Income taxes receivable	5,242	5,920
Deferred tax asset	9,026	8,839
Total current assets	127,358	141,809
Property and equipment:		
Leasehold improvements	41,089	40,679
Computer equipment and related software	272,007	267,902
Furniture and office equipment	24,221	23,552
Capital projects in process	15,153	11,799
	352,470	343,932
Less accumulated depreciation	(197,322)	(187,438)
	155,148	156,494
Other assets		
	21,092	21,042
Intangible assets, net		
	86,963	90,228
Goodwill, net	338,605	338,695
Total assets		
	\$ 729,166	\$ 748,268

See accompanying notes to the consolidated financial statements.

HEALTHWAYS, INC.  
CONSOLIDATED BALANCE SHEETS  
(In thousands, except share and per share data)  
(Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 2013	December 31, 2012
<b>Current liabilities:</b>		
Accounts payable	\$ 33,969	\$ 26,343
Accrued salaries and benefits	18,249	24,909
Accrued liabilities	43,083	39,234
Deferred revenue	5,951	5,643
Contract billings in excess of earned revenue	16,846	14,793
Current portion of long-term debt	11,634	11,801
Current portion of long-term liabilities	3,413	5,535
<b>Total current liabilities</b>	<b>133,145</b>	<b>128,258</b>
Long-term debt	257,187	278,534
Long-term deferred tax liability	36,314	36,053
Other long-term liabilities	26,277	26,602
<b>Stockholders' equity:</b>		
Preferred stock		
\$.001 par value, 5,000,000 shares		
authorized, none outstanding	—	—
Common stock		