



HEALTHWAYS

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HCF

We're different.

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NEW TOTAL POPULATION AGREEMENT WITH HCF AUSTRALIA EXPANDS HEALTHWAYS GLOBAL PRESENCE

*Australia contract builds on recent expansion into Europe, Latin America,
confirming global demand for Healthways' integrated solutions*

NASHVILLE, Tenn. – Dec. 1, 2008 – Healthways International, a wholly owned subsidiary of Healthways, Inc. (NASDAQ: HWAY), today announced a five-year agreement to offer comprehensive Health and Care SupportSM solutions to The Hospitals Contribution Fund of Australia Limited (HCF), one of the largest private health insurers in Australia with over 1 million members. Healthways has successfully entered markets on three continents in the past 12 months, continuing evidence that the health care and productivity issues faced by U.S. health plans, employers and government payers are global issues.

Through the agreement, Healthways will provide proactive support to HCF members with chronic conditions to help slow the progression of their illness. All HCF members will have access to a comprehensive suite of Internet-based health and wellness resources, including customized health information, health risk assessments, health coaching and online, personal health records. Services will focus on prevention, education, behavior change and evidence-based medicine to drive adherence to proven standards of care, medications and physician care plans.

"This collaboration with Healthways allows HCF to implement best-in-class preventive and care management strategies that will keep our healthy members healthy, while improving health and reducing complications for those members with chronic conditions," said Terry Smith, HCF Chief Executive Officer.

The World Health Organization (WHO) reports that the global epidemic of chronic diseases continues to grow, causing an estimated 35 million deaths around the world in 2005. Total deaths from chronic disease are projected to increase 17 percent over the next 10 years. The WHO urges countries to make prevention and control of chronic disease an integral part of programs aimed at strengthening primary health care systems.¹ A report issued by the Australian Institute of Health and Welfare further confirms that chronic diseases are a major health concern in Australia, placing great burden on individuals, communities and the health industry. More than one-fifth of hospital stays are due to common chronic disease, and \$11 billion in national health expenditures are attributed to chronic disease.²

¹ World Health Organization, Report by the Secretariat. *Prevention and control of non-communicable diseases: implementation of the global strategy*. World Health Organization, 16 January 2008.

² *Chronic Diseases and Associated Risk Factors in Australia 2006*, Australian Institute of Health and Welfare report

"A comprehensive approach to the prevention and management of risk factors is required to address the global chronic disease crisis," said Matt Kelliher, President, Healthways International. "This collaboration offers HCF and their million-plus members the opportunity to reduce the incidence and impact of chronic disease through the introduction of best-in-class Health and Care Support programs. Our programs are designed to mitigate and slow the progression of disease associated with hereditary or lifestyle risk factors and to promote the best possible health for those already affected by disease."

"HCF is committed to providing our members with access to innovative services designed to improve their health through education, support, motivation and awareness. This agreement with Healthways enhances our ability to meet our member commitment," said Chris Wallace, General Manager Health Benefits, HCF.

Healthways now provides health improvement programs and services throughout the United States, Brazil, Germany and Australia, demonstrating the company's ability to provide solutions to meet the unique needs of international customers. This collaborative approach allows Healthways to gain enhanced experience improving individual health outcomes worldwide.

Safe Harbor Provisions

This press release contains forward-looking statements that are based upon current expectations and involve a number of risks and uncertainties. In order for Healthways to utilize the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, investors are hereby cautioned that these statements may be affected by the important factors, among others, included in the discussion in Part I, Item 1A, and Part II, Item 7, of Healthways' Annual Report on Form 10-K for the fiscal year ended August 31, 2008, and other reports filed with the Securities and Exchange Commission. Consequently, actual operations and results may differ materially from those expressed in these forward-looking statements. Healthways undertakes no obligation to update or revise any such forward-looking statements.

About Healthways

Healthways is the leading provider of specialized, comprehensive Health and Care SupportSM solutions to help millions of people maintain or improve their health and, as a result, reduce overall healthcare costs. Healthways' solutions are designed to help healthy individuals stay healthy, mitigate and slow the progression of disease associated with family or lifestyle risk factors and promote the best possible health for those already affected by disease. Our proven, evidence-based programs provide highly specific and personalized interventions for each individual in a population, irrespective of age or health status, and are delivered to consumers by phone, mail, internet and face-to-face interactions, both domestically and internationally. Healthways also provides a national, fully accredited complementary and alternative Health Provider Network, offering convenient access to individuals who seek health services outside of, and in conjunction with, the traditional healthcare system. For more information, please visit www.healthways.com.

About HCF

The Hospitals Contribution Fund of Australia Limited (HCF) was formed in 1932 and is now one of Australia's largest combined health and life organizations, providing a full range of health care benefits for more than 1 million members and life cover for over 386,000 policyholders. HCF operates as a not for profit organization, working for the benefit of its members. For more information, please visit www.hcf.com.au.

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