



HEALTHWAYS

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HEALTHWAYS ACQUIRES HEALTHHONORS TO ADVANCE SUSTAINED ENGAGEMENT IN HEALTHY BEHAVIORS

NASHVILLE, Tenn. – October 14, 2009 – Healthways, Inc. (NASDAQ: HWAY) today announced the acquisition of HealthHonors, a market-leading behavioral economics company that specializes in behavior change science and optimized use of incentives, in a cash for stock transaction. Healthways will integrate the HealthHonors science and technology into Embrace™, Healthways' comprehensive information system, to enhance sustained engagement in healthy behaviors.

"Just as Healthways has led the industry in applying behavior change science, now we will lead the market in offering scientifically based incentive programs," said Ben R. Leedle, Jr., Healthways chief executive officer. "Integration of HealthHonors' innovative incentive strategy will boost our overall engagement and adherence to clinical and behavioral regimens."

The purchase price includes an upfront cash payment of \$14.7 million and a multi-year earn-out arrangement. Although the financial impact of the acquisition is expected to be a net cost of \$0.02 per diluted share in Healthways' fourth quarter of 2009, the Company's previously provided full-year earnings guidance remains unchanged.

One key differentiator offered by HealthHonors is their Dynamic Intermittent Reinforcement™ proprietary software that determines the lowest economic reinforcement necessary for an individual, based on behavioral patterns, to maintain his or her healthy behavior. HealthHonors has been able to show, in trial and commercial environments, a range of 33 to 56 percent increase in sustained adherence to targeted behaviors, while decreasing incentive budgets.

"HealthHonors' technology was developed by physician-scientists to help people achieve their best health," said John Sheehan, president and chief executive officer of HealthHonors. "By integrating our strong science, knowledge and technology infrastructure with Healthways' solutions, we will be able to scale to millions of people." HealthHonors will continue to sell, service and expand their business with pharmaceutical manufacturers and others to improve medication adherence and compliance.

Safe Harbor Provisions

This press release contains forward-looking statements, including our guidance and financial expectations for future periods, which are based upon current expectations and involve a number of risks and uncertainties. Those forward-looking statements include all statements that

are not historical statements of fact and those regarding the intent, belief or expectations of the Company, including, without limitation, all statements regarding the Company's future earnings and results of operations. In order for the Company to utilize the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, investors are hereby cautioned that certain factors may affect these forward-looking statements, including those described in Healthways' Annual Report on Form 10-K for the fiscal year ended August 31, 2008 and Healthways' Quarterly Report on Form 10-Q for the quarter ended June 30, 2009. The Company undertakes no obligation to update or revise any such forward-looking statements.

About Healthways

Healthways is the leading provider of specialized, comprehensive solutions to help millions of people maintain or improve their health and well-being and, as a result, reduce overall costs. Healthways' solutions are designed to help healthy individuals stay healthy, mitigate and slow the progression to 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 HealthHonors

HealthHonors provides a first- to - market Behavioral Economics platform that motivates consumers to adhere to healthy behavior. Its' proprietary technology, Dynamic Intermittent Reinforcement™ (DIR™), matches individuals with their lowest cost reinforcement schedule, resulting in improved consumer engagement and adherence and increased customer return. To learn more about HealthHonors and its' science based approach, please call (781) 843 -6333.

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