

AMERICAN HEALTHWAYS INC
 Form 4
 December 29, 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 *
 CIGARRAN THOMAS G

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)

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/28/2005

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

AMERICAN HEALTHWAYS, INC., 3841 GREEN HILLS VILLAGE DRIVE

(Street)

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

NASHVILLE, TN 37215

(City) (State) (Zip)

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	12/28/2005		M		18,750	A	\$ 1.89	273,033	D	
Common Stock	12/28/2005		M		4,354	A	\$ 7.24	277,387	D	
Common Stock	12/28/2005		S		10,000	D	\$ 46.212	267,387	D	
Common Stock	12/28/2005		S		8,750	D	\$ 46.1445	258,637	D	
	12/28/2005		S		4,354	D		254,283	D	

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Common Stock		\$					
		46.4089					
Common Stock			402,062	I			Held in Thomas G. Cigarran Annuity Trust
Common Stock			3,910	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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option to Buy	\$ 1.89	12/28/2005		M	18,750	09/29/2001 ⁽¹⁾	09/29/2010	Common Stock	18,750
Option to Buy	\$ 7.24	12/28/2005		M	4,354	08/27/2003 ⁽³⁾	08/27/2012	Common Stock	4,354

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CIGARRAN THOMAS G AMERICAN HEALTHWAYS, INC. 3841 GREEN HILLS VILLAGE DRIVE NASHVILLE, TN 37215	X			

Signatures

/s/ Mary A. Chaput, by power of attorney for Thomas G.
Cigarran

12/28/2005

__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 vests 25% per year beginning on 9/29/2001.
- (2) Information in this column is left blank because the transaction represents the conversion of a security.
- (3) Option vests 25% per year beginning on 8/27/2003.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.