

AMERICAN HEALTHWAYS INC
 Form 4
 May 23, 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 *
 LUMSDAINE ALFRED

(Last) (First) (Middle)

AMERICAN HEALTHWAYS, INC., 3841 GREEN HILLS VILLAGE DRIVE

(Street)

NASHVILLE, TN 37215

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 AMERICAN HEALTHWAYS INC [AMHC]

3. Date of Earliest Transaction (Month/Day/Year)
 05/19/2005

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)
 Sr. VP & Corporate Controller

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 | (A) or (D) | Price | | | |
| Common Stock | 05/19/2005 | | M | | 5,000 | A | \$ 12.57 | 0 | D | |
| Common Stock | 05/19/2005 | | M | | 2,000 | A | \$ 7.24 | 0 | D | |
| Common Stock | 05/19/2005 | | M | | 3,000 | A | \$ 8.97 | 0 | D | |
| Common Stock | 05/19/2005 | | S | | 10,000 | D | \$ 41.5388 | 1,000 | D | |
| | | | | | | | | 259 | I | |

Common
Stock

Held in
401(k)
Plan

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

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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 | \$ 12.57 | 05/19/2005 | | M | 5,000 | 02/25/2003 ⁽¹⁾ 02/25/2012 | Common Stock | 5,000 |
| Option to Buy | \$ 7.24 | 05/19/2005 | | M | 2,000 | 08/27/2003 ⁽²⁾ 08/27/2012 | Common Stock | 2,000 |
| Option to Buy | \$ 8.97 | 05/19/2005 | | M | 3,000 | 02/03/2004 ⁽³⁾ 02/03/2013 | Common Stock | 3,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| LUMSDAINE ALFRED AMERICAN HEALTHWAYS, INC. 3841 GREEN HILLS VILLAGE DRIVE NASHVILLE, TN 37215 | | | Sr. VP & Corporate Controller | |

Signatures

/s/ Alfred
Lumsdaine 05/20/2005

**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 2/25/2003.

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

(3) Option vests 25% per year beginning on 2/3/2004.

(4) 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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