

HealthSpring, Inc.
Form 4
August 05, 2008

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 *
Fritch Herbert A

(Last) (First) (Middle)
9009 CAROTHERS
PARKWAY, SUITE 501

(Street)

FRANKLIN, TN 37067

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
HealthSpring, Inc. [HS]

3. Date of Earliest Transaction
(Month/Day/Year)
08/01/2008

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)
Chairman, CEO & President

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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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- (3) The transaction reported on this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 9, 2008.

The number of shares of Company common stock to be delivered to buyer on the maturity date is to be determined as follows: (a) if the price of a share of Company common stock on December 30, 2009 (the "Final Price") is less than \$19.5429 (the "Floor Strike Price"), the reporting person will deliver to the buyer all of the Pledged Shares; (b) if the Final Price is between the Floor Strike Price and \$26.3829

- (4) (the "Cap Strike Price"), the reporting person will deliver to the buyer a number of shares of Company common stock having a value (based on the Final Price) equal to \$3,420,007.50; and (c) if the Final Price is greater than the Cap Strike Price, the reporting person will deliver to the buyer a number of shares of Company common stock calculated using the following formula: $[(\text{Floor Strike Price}/\text{Final Price}) + ((\text{Final Price} - \text{Cap Strike Price})/\text{Final Price})] \times 175,000$.

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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