

HealthSpring, Inc.
Form 4
June 19, 2008

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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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)
06/17/2008

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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SEC 1474
(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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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title |
|--|------------------------------------|------------------|------------|---|---|---------------------|--------------------|-----------------|
| | | | | Code | V | | | |
| Forward sale contract (obligation to sell) | (1) (2) | 06/17/2008 | J(1)(2)(3) | 150,000 | | 12/31/2009 | 12/31/2009 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Fritch Herbert A 9009 CAROTHERS PARKWAY SUITE 501 FRANKLIN, TN 37067 | X | | Chairman, CEO & President | |

Signatures

/s/ J. Gentry Barden,
Attorney-in-Fact

06/19/2008

__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) On June 17, 2008, the reporting person entered into a prepaid variable forward sale contract with an unaffiliated third party buyer. The contract obligates the reporting person to deliver to the buyer up to 150,000 shares of HealthSpring, Inc. (the "Company") common stock (or, at the reporting person's election, an equivalent amount of cash based on the market price of Company common stock at that time) on the settlement date of the contract (December 31, 2009). In exchange for assuming this obligation, the reporting person received a cash payment of \$2,287,956.15 as of the date of entering into the contract. The reporting person pledged 150,000 shares of Company common stock (the "Pledged Shares") to secure his obligations under the contract, and retained dividend and voting rights in the Pledged Shares during the term of the pledge.

(2) 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 28, 2009 (the "Final Price") is less than \$18.23 (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 \$25.522 (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 \$2,734,500; 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: [(Floor Strike Price/Final Price) + ((Final Price - Cap Strike Price)/Final Price)] X 150,000.

(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.

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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