



For Immediate Release

For more information:

Kriste Goad, (615) 263-7524 or kriste.goad@amhealthways.com

**AMERICAN HEALTHWAYS AND ROCKY MOUNTAIN HEALTH PLANS PARTNER
TO IMPROVE HEALTH, REDUCE COSTS**

Top-rated Colorado Health Plan Expands Diabetes and Cardiac Disease Management Efforts

NASHVILLE, Tenn. – March 18, 2004 – American Healthways, Inc. (Nasdaq: AMHC) the nation's leading and largest provider of disease management, care enhancement and high-risk health management programs, today announced a three-year agreement with Colorado-based Rocky Mountain Health Plans (RMHP) to provide diabetes and cardiac disease management programs to RMHP's fully-insured, commercial population beginning July 1, 2004. The programs will complement RMHP's existing efforts to help primary care physicians put into practice a new approach to chronic illness care.

“American Healthways’ approach to disease management is consistent with RMHP’s long-standing commitment to enhancing the patient-physician relationship and maintaining the critical balance between cost, quality and positive health outcomes,” said RMHP Medical Director Bruce Wilson, MD. “By partnering with American Healthways for comprehensive diabetes and cardiac disease management, we will be able to provide members with the kinds of support and educational resources they need between doctors visits to be better self managers of their diseases.”

American Healthways’ programs are designed to enhance the patient-physician relationship and are based on the whole person, not just their disease. Nurses use state-of-the art technologies to develop care support plans, set attainable goals and continually reach out to members to achieve improved clinical outcomes, improved health status, improved member and physician satisfaction and reduced costs.

“We are pleased that Rocky Mountain Health Plans chose American Healthways as its disease management partner, and we look forward to working with them to offer their members the most integrated and innovative total health-care solutions available,” said Ben R. Leedle Jr., president and chief executive officer of American Healthways.

About Rocky Mountain Health Plans

Rocky Mountain Health Plans provides medical benefit plans and services to approximately 120,000 enrollees. The organization offers a wide range of medical benefit options, including

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3541 Green Hills Village Drive
Nashville, Tennessee 37215
telephone: 615-665-1122
facsimile: 615-665-7697
www.americanhealthways.com

PPO, HMO, and indemnity-based medical plans. Through its family of health plans, Rocky Mountain Health Plans serves a broad cross-section of Coloradans, including commercial groups, individuals, Medicare and Medicaid eligible persons, and children who receive care under the state's Child Health Plan Plus program.

In the 2003 *Health Matters Quality Report*, produced by the Colorado Business Group on Health, Rocky Mountain Health Plans was the only health plan in Colorado to receive a ***Significantly Higher Than Average*** score for overall quality of health care.

About American Healthways

American Healthways (AMHC) is the nation's leading and largest provider of specialized, comprehensive disease management, care enhancement and high-risk health management services proven to improve the quality of health care and lower costs. As of Dec. 18, 2003, the Company had over 1 million lives under management nationwide. For more information, visit www.americanhealthways.com

Safe Harbor Provisions

This press release contains forward-looking statements that are based upon current expectations and involve a number of risks and uncertainties. In order for the American Healthways to utilize the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, investors are hereby cautioned that these statements may be affected by the important factors, among others, set forth. Consequently, actual operations and results may differ materially from those expressed in these forward-looking statements. The important factors are included in the discussion in Part I, Item 1, and Part II, Item 7, of American Healthways' Annual Report on Form 10-K for the fiscal year ended Aug. 31, 2003, and Part I, Item 2, of American Healthways' Quarterly Report on Form 10-Q for the quarter ended Nov. 30, 2003. American Healthways undertakes no obligation to update or revise any such forward-looking statements.

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