

HealthSpring, Inc.  
Form 10-K/A  
September 22, 2011

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-K/A  
(Amendment No. 1)**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the Fiscal Year Ended December 31, 2010**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number 001-32739  
HealthSpring, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of Incorporation or Organization)

20-1821898  
(I.R.S. Employer Identification No.)

9009 Carothers Parkway, Suite 501  
Franklin, Tennessee  
(Address of Principal Executive Offices)

37067  
(Zip Code)

(615) 291-7000

Registrant's telephone number, including area code  
Securities registered pursuant to Section 12(b) of the Exchange Act:

Common Stock, par value \$0.01 per share  
(Title of Class)

New York Stock Exchange  
(Name of Each Exchange on which Registered)

Securities registered pursuant to Section 12(g) of the Exchange Act:  
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting  
company

(Do not check if a smaller  
reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the Common Stock held by non-affiliates of the registrant, based on the closing price of these shares on the New York Stock Exchange on June 30, 2010, was approximately \$817.3 million. For the purposes of this disclosure only, the registrant has included shares beneficially owned by its directors, executive officers, and beneficial owners of 10% or more of the registrant's common stock as stock held by affiliates of the registrant, notwithstanding that such persons may disclaim affiliate status.

As of February 22, 2011 there were 57,847,559 shares of the registrant's Common Stock, par value \$0.01 per share, outstanding.

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**EXPLANATORY NOTE**

HealthSpring, Inc. (the Company ) is filing this Amendment No. 1 on Form 10-K/A (this Amendment ) to its Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (the Original Filing ), which was originally filed with the Securities and Exchange Commission (the SEC ) on February 25, 2011.

We are filing this Amendment in response to a comment letter received from the SEC in connection with its review of the Original Filing (the Comment Letter ). We have modified Part II, Item 9A. Controls and Procedures in this Amendment in response to the Comment Letter to include the following disclosures, which were inadvertently omitted from the Original Filing: (i) a statement identifying the framework used by our management to evaluate the effectiveness of our internal control over financial reporting, and (ii) the assessment by our management of the effectiveness of our internal control over financial reporting as of the end of our fiscal year ended December 31, 2010, including a statement as to whether or not internal control over financial reporting was effective. In addition, we are also including the certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 in connection with the filing of this Amendment.

This Amendment does not include the entire Form 10-K. Except as described in this Explanatory Note, this Amendment does not amend any other information set forth in the Original Filing, and the Company has not updated disclosures to reflect any events that occurred subsequent to February 25, 2011.

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**Item 9A. Controls and Procedures**

***Management's Evaluation of Disclosure Controls and Procedures***

Our management carried out an evaluation required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the Exchange Act), under the supervision and with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act (Disclosure Controls). Based on the evaluation, our management, including our CEO and CFO, concluded that, as of December 31, 2010, our Disclosure Controls were effective.

***Management's Report on Internal Control Over Financial Reporting***

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting included those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition(s), use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control Integrated Framework. Based on management's assessment and those criteria, management determined that the Company's internal control over financial reporting was effective as of December 31, 2010.

The Company acquired Bravo Health, Inc. on November 30, 2010. Management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2010, Bravo Health's internal control over financial reporting associated with total assets of \$806.1 million and total revenues of \$144.6 million included in the consolidated financial statements of HealthSpring, Inc. and subsidiaries as of and for the year ended December 31, 2010.

The Company's independent registered public accounting firm, KPMG LLP, has issued an attestation report on the Company's internal control over financial reporting, which is set forth on page 69 of this report.

***Changes in Internal Control Over Financial Reporting***

There have been no changes in our internal control over financial reporting identified in connection with the evaluation that occurred during the quarter ended December 31, 2010 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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**Item 15. Exhibits and Financial Statement Schedules**

<b>Exhibits</b>	<b>Description</b>
31.1A	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002
31.2A	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HEALTHSPRING, INC.

By: /s/ Karey L. Witty  
Karey L. Witty  
Executive Vice President and Chief Financial  
Officer

Date: September 22, 2011



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