HLTH CORP
Form 10-K/A
April 30, 2009

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

**Form 10-K/A**
**Amendment No. 1 to**

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the fiscal year ended December 31, 2008**

**or**

o **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: 0-24975**

**HLTH Corporation**
*(Exact name of registrant as specified in its charter)*

| | |
|---|---|
| **Delaware** *(State of incorporation)* | **94-3236644** *(I.R.S. employer identification no.)* |
| **669 River Drive, Center 2 Elmwood Park, New Jersey** *(Address of principal executive office)* | **07407-1361** *(Zip code)* |

**(201) 703-3400**
*(Registrant s telephone number including area code)*

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | Name of Each Exchange on Which Registered |
|---|---|
| Common Stock, par value $0.0001 per share | The Nasdaq Stock Market LLC (Global Select Market) |

**Securities registered pursuant to Section 12(g) of the Act:**
Not Applicable

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

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

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 þ     No o

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 into Part III of this Form 10-K or any amendment to this Form 10-K.  þ

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes o     No o

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 þ | Accelerated filer o | Non-accelerated filer o<br>(Do not check if a smaller reporting company) | Smaller reporting company o |

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

As of June 30, 2008, the aggregate market value of the registrant s Common Stock held by non-affiliates of the registrant was approximately $1,971,181,000 (based on the closing price of $11.32 per share on that date, as reported on the Nasdaq Global Select Market and, for purposes of this computation only, the assumption that all of the registrant s directors and executive officers are affiliates).

As of February 20, 2009, there were 102,994,349 shares of HLTH Common Stock outstanding (including unvested shares of restricted HLTH Common Stock).

**DOCUMENTS INCORPORATED BY REFERENCE**

None.

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## PART III

### Item 10. *Directors, Executive Officers and Corporate Governance*

### Directors and Executive Officers

The charts below list our directors and executive officers and are followed by biographic information about them and a description of certain corporate governance matters.

**Directors**

| Name | Age | Positions |
|---|---|---|
| Mark J. Adler, M.D.(3)(4) | 52 | Director; Chairman of the Compensation Committee |
| Paul A. Brooke(1)(2)(5)(6) | 63 | Director |
| Kevin M. Cameron | 42 | Director |
| Neil F. Dimick(4)(5) | 59 | Director; Chairman of the Nominating Committee; Chairman of the Governance & Compliance Committee |
| James V. Manning(1)(2)(4) | 62 | Director; Chairman of the Audit Committee |
| Herman Sarkowsky(3)(5)(6) | 83 | Director |
| Joseph E. Smith(1)(2)(3)(6) | 70 | Director |
| Martin J. Wygod(1) | 69 | Chairman of the Board; Acting Chief Executive Officer |

(1) Member of the Executive Committee

(2) Member of the Audit Committee

(3) Member of the Compensation Committee

(4) Member of the Governance & Compliance Committee

(5) Member of the Nominating Committee

(6) Member of the Related Parties Committee

For a description of each of the standing committees of the Board of Directors and other corporate governance matters, see Corporate Governance below. Dr. Adler and Messrs. Dimick, Manning and Wygod are also members of the Board of Directors of WebMD Health Corp., our publicly traded subsidiary, which we sometimes refer to in this Annual Report as WHC. As of April 15, 2009, HLTH, through its ownership of WHC Class B Common Stock owned approximately 83.4% of the total outstanding common stock of WHC and approximately 95.9% of the combined voting power of WHC s outstanding common stock.

**Executive Officers**

| Name | Age | Positions |
| --- | --- | --- |
| Martin J. Wygod | 69 | Chairman of the Board and Acting Chief Executive Officer |
| Mark D. Funston | 49 | Executive Vice President and Chief Financial Officer |
| Wayne T. Gattinella | 57 | CEO and President of WebMD |
| Charles A. Mele | 52 | Executive Vice President, General Counsel and Secretary |
| William G. Midgette | 53 | CEO and President of Porex |

*Mark J. Adler, M.D.*, has been a director of our company since September 2000. Since September 2005, he has also served as a member of the Board of Directors of our WebMD Health Corp. subsidiary. Dr. Adler is an oncologist and has, for more than five years, been CEO and Medical Director of the San Diego Cancer

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Center and a director of the San Diego Cancer Research Institute. Until April 2006, he had also been, for more than five years, the Chief Executive Officer of the Internal Medicine and Oncology Group of Medical Group of North County, which is based in San Diego, California, and he continues to be a member of that Medical Group.

*Paul A. Brooke* has been a director of our company since November 2000. Mr. Brooke has been Chairman of the Board of Alsius Corporation, a medical device company, since June 2007 and was Chairman and Chief Executive Officer of a predecessor company from 2005 to June 2007. Mr. Brooke has been the Managing Member of PMSV Holdings LLC, a private investment firm, since 1993. Mr. Brooke has also been a Senior Advisor to Morgan Stanley since April 2000. From 1997 through 2006, Mr. Brooke was a Venture Partner of MPM Capital, a venture capital firm specializing in the healthcare industry. From 1983 until April 1999, Mr. Brooke was a Managing Director and the Global Head of Healthcare Research and Strategy at Morgan Stanley. From April 1999 until May 2000, he was a Managing Director at Tiger Management LLC. He serves as a member of the Boards of Directors of the following other public companies: Incyte Corporation, a drug discovery company; and Viropharma Incorporated, a pharmaceutical company.

*Kevin M. Cameron* has served as a director of our company since October 2004. He also served as Chief Executive Officer of our company from October 2004 until February 2008, when he went on medical leave. From November 2005 until November 2006, Mr. Cameron also served as Acting CEO of Emdeon Business Services, which was then one of our segments. From January 2002 until October 2004, Mr. Cameron was Special Advisor to the Chairman of our company. From September 2000 to January 2002, he served as Executive Vice President, Business Development of our company and, in addition, from September 2001 through January 2002, was a member of the Office of the President. From April 2000 until its merger with our company in September 2000, Mr. Cameron served as Executive Vice President, Business Development of a predecessor to HLTH. Prior to April 2000, Mr. Cameron was a Managing Director of the Health Care Investment Banking Group of UBS and held various positions at Salomon Smith Barney.

*Neil F. Dimick* has been a director of our company since December 2002. Since September 2005, he has also served as a member of the Board of Directors of our WebMD Health Corp. subsidiary. Mr. Dimick served as Executive Vice President and Chief Financial Officer of AmerisourceBergen Corporation, a wholesale distributor of pharmaceuticals, from 2001 to 2002 and as Senior Executive Vice President and Chief Financial Officer and as a director of Bergen Brunswig Corporation, a wholesale distributor of pharmaceuticals, for more than five years prior to its merger in 2001 with AmeriSource Health Corporation to form AmerisourceBergen. He also serves as a member of the Boards of Directors of the following companies: Alliance Imaging Inc., a provider of outsourced diagnostic imaging services to hospitals and other healthcare companies; Global Resources Professionals, an international professional services firm that provides outsourced services to companies on a project basis; Mylan Laboratories, Inc., a pharmaceutical manufacturer; and Thoratec Corporation, a developer of products to treat cardiovascular disease.

*Mark D. Funston* has served as Executive Vice President and Chief Financial Officer of our company since November 2006 and of our WebMD Health Corp. subsidiary since August 2007. Prior to joining HLTH, Mr. Funston was Interim Chief Financial Officer of Digital Harbor, Inc., a privately held software company, from November 2005. Prior to that, Mr. Funston served as Chief Financial Officer of Group 1 Software, Inc., a publicly traded software company, from 1996 until its acquisition by Pitney Bowes in 2004. From 1989 to 1996, Mr. Funston was Chief Financial Officer of COMSAT RSI, Inc. (formerly Radiation Systems, Inc.), a publicly traded telecommunications manufacturing company acquired by COMSAT Corporation in 1994.

*Wayne T. Gattinella* has served, since 2005, as Chief Executive Officer and President of our WebMD Health Corp. subsidiary and as a member of its Board of Directors. Prior to that, he served as President of our WebMD segment from the time he joined HLTH in 2001. From 2000 to 2001, Mr. Gattinella was Executive Vice President and Chief Marketing Officer for People PC, an Internet services provider. Mr. Gattinella had previously held senior management positions with Merck-Medco (now Medco Health Solutions) and MCI Telecommunications. Mr. Gattinella currently serves on Drexel University s LeBow College of Business Advisory Board.

*James V. Manning* has been a director of our company since September 2000 and, prior to that, was a member of a predecessor company s Board of Directors for more than five years. Since September 2005, he has also served as a member of the Board of Directors of our WebMD Health Corp. subsidiary.

*Charles A. Mele* has been Executive Vice President, General Counsel and Secretary of our company since January 2001 and has served in senior executive positions for our company and predecessor companies since 1995.

*William G. Midgette* has been Chief Executive Officer and President of Porex since August 2002. For more than five years prior to that, Mr. Midgette served in senior management positions at C. R. Bard, Inc., a healthcare products company, the last of which was President, Bard International.

*Herman Sarkowsky* has been a director of our company since November 2000 and, prior to that, was a member of a predecessor company s Board of Directors for more than five years. Mr. Sarkowsky has been President of Sarkowsky Investment Corporation, a private investment company, for more than five years.

*Joseph E. Smith* has been a director of our company since September 2000. Mr. Smith served in various positions with Warner-Lambert Company, a pharmaceutical company, from March 1989 to September 1997, the last of which was Corporate Executive Vice President and a member of the Office of the Chairman and the firm s Management Committee. Mr. Smith serves on the Board of Directors of Par Pharmaceutical Companies, Inc., a manufacturer and distributor of generic and branded pharmaceuticals, and on the Board of Trustees of the International Longevity Center, a non-profit organization.

*Martin J. Wygod* has served as Acting Chief Executive Officer of our company since February 2008, as Chairman of the Board of Directors of our company since March 2001, and as a director since September 2000. Since May 2005, he has also served as Chairman of the Board of our WebMD Health Corp. subsidiary. From October 2000 until May 2003, Mr. Wygod also served as our Chief Executive Officer. From September 2000 until October 2000, Mr. Wygod served as Co-Chief Executive Officer of our company. Mr. Wygod is also engaged in the business of racing, boarding and breeding thoroughbred horses, and is President of River Edge Farm, Inc.

No family relationship exists among any of our directors or executive officers. No arrangement or understanding exists between any director or executive officer of HLTH and any other person pursuant to which any of them were selected as a director or executive officer.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers and directors, and persons who beneficially own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership of these securities with the SEC. Officers, directors and greater than ten percent beneficial owners are required by applicable regulations to furnish us with copies of all Section 16(a) forms they file. Based solely upon a review of the forms furnished to us during or with respect to our most recent fiscal year, all of our directors and officers subject to the reporting requirements and each beneficial owner of more than ten percent of our Common Stock satisfied all applicable filing requirements under Section 16(a).

**Corporate Governance**

***Board of Directors.*** Our Board of Directors has eight members. Two of the members are also employees of HLTH: Mr. Cameron, who served as our Chief Executive Officer and is currently on medical leave; and Mr. Wygod, Chairman of the Board and Acting Chief Executive Officer. Six of the members are non-employee directors: Dr. Adler and Messrs. Brooke, Dimick, Manning, Sarkowsky and Smith. The Governance & Compliance Committee of our Board of Directors has determined that each of the non-employee directors is also an independent director under applicable SEC rules and Nasdaq Global Select Market listing standards. See Director Independence in Item 13 below. The non-employee directors meet regularly in private sessions with the Chairman of the Board and also meet regularly without any employee

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directors or other HLTH employees present. For information regarding the compensation of our non-employee directors, see Non-Employee Director Compensation below.

Our Board of Directors is divided into three classes, two of which currently have three directors and one of which currently has two directors. At each Annual Meeting, the term of one of the classes of directors expires and HLTH stockholders vote to elect nominees for the directorships in that class for a new three-year term. The terms of Messrs. Brooke, Manning and Wygod will expire at our Annual Meeting in 2009; the terms of Dr. Adler and Messrs. Sarkowsky and Cameron will expire at our Annual Meeting of Stockholders in 2010; and the terms of Messrs. Dimick and Smith will expire at our Annual Meeting in 2011.

Our Board of Directors met 14 times during 2008. During 2008, each of our directors attended 75% or more of the meetings held by our Board and the Board committees on which he served. In addition to meetings, our Board and its committees reviewed and acted upon matters by unanimous written consent. HLTH s Board of Directors encourages its members to attend our Annual Meetings of Stockholders. Three of our directors attended our 2008 Annual Meeting. All but two of our directors attended our 2007 Annual Meeting.

Our Board of Directors currently has six standing committees: an Executive Committee, a Compensation Committee, an Audit Committee, a Governance & Compliance Committee, a Nominating Committee, and a Related Parties Committee. The Compensation Committee, the Audit Committee, the Governance & Compliance Committee, the Nominating Committee and the Related Parties Committee each has the authority to retain such outside advisors as it may determine to be appropriate.

***Communications with Our Directors.*** Our Board of Directors encourages our security holders to communicate in writing to our directors. Security holders may send written communications to our Board of Directors or to specified individual directors by sending such communications care of the Corporate Secretary s Office, HLTH Corporation, 669 River Drive, Center 2, Elmwood Park, New Jersey 07407-1361. Such communications will be reviewed by our Legal Department and, depending on the content, will be:

- forwarded to the addressees or distributed at the next scheduled Board meeting; or
- if they relate to financial or accounting matters, forwarded to the Audit Committee or discussed at the next scheduled Audit Committee meeting; or
- if they relate to the recommendation of the nomination of an individual, forwarded to the Nominating Committee or discussed at the next scheduled Nominating Committee meeting; or
- if they relate to the operations of HLTH, forwarded to the appropriate officers of HLTH, and the response or other handling reported to the Board at the next scheduled Board meeting.

***Committees of the Board of Directors.*** This section describes the roles of the Committees of our Board in the corporate governance of our company. With respect to certain committees, including the Audit Committee, the Compensation Committee and the Nominating Committee, a portion of their responsibilities are specified by SEC rules and Nasdaq listing standards. These Committees work with their counterparts at WHC where their responsibilities overlap or where they otherwise believe it is appropriate to do so. To assist in that coordination of responsibilities, the Chairpersons of our Audit Committee, Compensation Committee, Governance & Compliance Committee and Nominating Committee are the same persons who hold those positions on those committees of the WHC Board.

*Executive Committee.* The Executive Committee, which met once during 2008, is currently comprised of Messrs. Brooke, Manning, Smith and Wygod. Mr. Cameron was also a member of the Executive Committee until February 2008. The Executive Committee has the power to exercise, to the fullest extent permitted by law, the powers of the entire Board.

*Audit Committee.* The Audit Committee, which met 10 times during 2008, is currently comprised of Messrs. Brooke, Manning and Smith; Mr. Manning is its Chairman. Each of the members of the Audit Committee meets the standards of independence applicable to audit committee members under applicable SEC rules and Nasdaq Global Select Market listing standards and is financially literate, as required under applicable Nasdaq Global Select Market listing standards. In addition, the Board of Directors of HLTH has determined that Mr. Manning qualifies as an audit committee financial expert, as that term is used in applicable SEC regulations implementing Section 407 of the Sarbanes-Oxley Act of 2002, based on his training and experience as a certified public accountant, including as a partner of a major accounting firm, and based on his service as a senior executive and chief financial officer of public companies. The Audit Committee is responsible for, among other things:

- retaining and overseeing the registered public accounting firm that serves as our independent auditor and evaluating their performance and independence;
- reviewing our annual audit plan with HLTH s management and registered public accounting firm;
- pre-approving any permitted non-audit services provided by our registered public accounting firm;
- approving the fees to be paid to our registered public accounting firm;
- reviewing the adequacy and effectiveness of our internal controls with HLTH s management, internal auditors and registered public accounting firm;
- reviewing and discussing the annual audited financial statements and the interim unaudited financial statements with HLTH s management and registered public accounting firm;
- approving our internal audit plan and reviewing reports of our internal auditors;
- determining whether to approve related party transactions (other than transactions with WHC, approval of which has been delegated to the Related Parties Committee, as described below); and
- overseeing the administration of HLTH s Code of Business Conduct.

The Audit Committee operates under a written charter adopted by the Board of Directors, which sets forth the responsibilities and powers delegated by the Board to the Audit Committee. A copy of that Charter, as amended through July 26, 2007, was included as Annex A to the Proxy Statement for our 2007 Annual Meeting.

*Compensation Committee.* The Compensation Committee, which met seven times during 2008, is currently comprised of Dr. Adler and Messrs. Sarkowsky and Smith; Dr. Adler is its Chairman. Each of these directors is a non-employee director within the meaning of the rules promulgated under Section 16 of the Securities Exchange Act, an outside director within the meaning of Section 162(m) of the Internal Revenue Code and an independent director under applicable Nasdaq Global Select Market listing standards. The responsibilities delegated by the Board to the Compensation Committee include:

- oversight of our executive compensation program and our incentive and equity compensation plans;
- determination of compensation levels for and grants of incentive and equity-based awards to our executive officers and the terms of any employment agreements with them;
- determination of compensation levels for non-employee directors; and
- review of and making recommendations regarding other matters relating to our compensation practices.

The Compensation Committee operates under a written charter adopted by the Board of Directors, which sets forth the responsibilities and powers delegated by the Board to the Compensation Committee. A copy of that Charter, as amended through July 26, 2007, was included as Annex B to the Proxy Statement for our 2007 Annual Meeting. For additional information regarding our Compensation Committee and its oversight of executive compensation, see Executive Compensation Compensation Discussion and Analysis in Item 11 below.

*Nominating Committee.* The Nominating Committee, which met once during 2008, is currently comprised of Messrs. Brooke, Dimick and Sarkowsky; Mr. Dimick is its Chairman. Each of these directors is

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an independent director under applicable Nasdaq Global Select Market listing standards. The responsibilities delegated by the Board to the Nominating Committee include:

- identifying individuals qualified to become Board members;
- recommending to the Board the director nominees for each Annual Meeting of Stockholders; and
- recommending to the Board candidates for filling vacancies that may occur between Annual Meetings.

The Nominating Committee operates pursuant to a written charter adopted by the Board of Directors, which sets forth the responsibilities and powers delegated by the Board to the Nominating Committee. A copy of that Charter, as amended through July 26, 2007, was included as Annex C to the Proxy Statement for our 2007 Annual Meeting. The Nominating Committee has not adopted specific objective requirements for service on the HLTH Board. Instead, the Nominating Committee considers various factors in determining whether to recommend to the Board potential new Board members, or the continued service of existing members, including:

- the amount and type of the potential nominee s managerial and policy-making experience in complex organizations and whether any such experience is particularly relevant to HLTH;
- any specialized skills or experience that the potential nominee has and whether such skills or experience are particularly relevant to HLTH;
- in the case of non-employee directors, whether the potential nominee has sufficient time to devote to service on the HLTH Board and the nature of any conflicts of interest or potential conflicts of interest arising from the nominee s existing relationships;
- in the case of non-employee directors, whether the nominee would be an independent director and would be considered a financial expert or to have financial sophistication under applicable SEC rules and the listing standards of The Nasdaq Global Select Market;
- in the case of potential new members, whether the nominee assists in achieving a mix of Board members that represents a diversity of background and experience, including with respect to age, gender, race, areas of expertise and skills; and
- in the case of existing members, the nominee s contributions as a member of the Board during his or her prior service.

The Nominating Committee will consider candidates recommended by stockholders in the same manner as described above. Any such recommendation should be sent in writing to the Nominating Committee, care of Secretary, HLTH Corporation, 669 River Drive, Center 2, Elmwood Park, New Jersey 07407-1361. To facilitate consideration by the Nominating Committee, the recommendation should be accompanied by a full statement of the qualifications of the recommended nominee, the consent of the recommended nominee to serve as a director of HLTH if nominated and to be identified in HLTH s proxy materials and the consent of the recommending stockholder to be named in HLTH s proxy materials. The recommendation and related materials will be provided to the Nominating Committee for consideration at its next regular meeting.

*Governance & Compliance Committee.* The Governance & Compliance Committee is currently comprised of Dr. Adler and Messrs. Dimick and Manning; Mr. Dimick is its Chairman. The Governance & Compliance Committee met three times in 2008. The responsibilities delegated by the Board to the Governance & Compliance Committee include:

- evaluating and making recommendations to the Board regarding matters relating to the governance of HLTH;
- assisting the Board in coordinating the activities of the Board s other standing committees, including with respect to HLTH s compliance programs and providing additional oversight of those compliance programs; and
- providing oversight of senior executive recruitment and management development.

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As part of its responsibilities relating to corporate governance, the Governance & Compliance Committee evaluates and makes recommendations to the Board regarding any proposal for which a stockholder has provided required notice that such stockholder intends to make at an Annual Meeting of Stockholders, including recommendations regarding the Board s response and regarding whether to include such proposal in HLTH s proxy statement.

The Governance & Compliance Committee operates pursuant to a written charter adopted by the Board of Directors. A copy of that Charter, as amended through July 26, 2007, was included as Annex D to the Proxy Statement for our 2007 Annual Meeting. Pursuant to that Charter, the membership of the Governance & Compliance Committee consists of the Chairpersons of the Nominating, Audit and Compensation Committees and the Chairperson of the Nominating Committee serves as the Chairperson of the Governance & Compliance Committee, unless otherwise determined by the Governance & Compliance Committee.

*Related Parties Committee.* The Related Parties Committee is currently comprised of Messrs. Brooke, Sarkowsky and Smith. Each of the members of the Related Parties Committee is an independent director and none of its members serves as a director of WHC. The Related Parties Committee met once during 2008. The responsibilities delegated by the Board to the Related Parties Committee include:

- oversight of transactions between HLTH and WHC; and
- oversight of other matters in which the interests of HLTH and WHC conflict or may potentially conflict.

*Other Committees.* From time to time, our Board of Directors forms additional committees to make specific determinations or to provide oversight of specific matters or initiatives. For example:

- *Special Committee.* Messrs. Brooke, Manning, Sarkowsky and Smith and Dr. Adler are members of a special committee of the Board to oversee matters relating to the investigations described in Legal Proceedings Investigations by United States Attorney for the District of South Carolina and the SEC in Note 14 to the Consolidated Financial Statements included in this Annual Report; and
- *Stock Repurchase Committee.* Messrs. Wygod, Manning and Smith are members of a committee of the Board authorized to make determinations relating to repurchases of HLTH Common Stock.

**Code of Conduct**

A copy of the joint HLTH and WHC Code of Business Conduct, as amended, is filed as Exhibit 14.1 to this Annual Report. The Code of Business Conduct applies to all directors and employees of HLTH and its subsidiaries. Any waiver of applicable requirements in the Code of Business Conduct that is granted to any of our directors, to our principal executive officer, to any of our senior financial officers (including our principal financial officer, principal accounting officer or controller) or to any other person who is an executive officer of HLTH requires the approval of the Audit Committee and waivers will be disclosed on our corporate Web site, *www.hlth.com* in the Investor Relations section, or in a Current Report on Form 8-K.

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**Non-Employee Director Compensation**

***Introduction.*** This section of our Annual Report describes the compensation paid by HLTH during 2008 to the members of our Board of Directors who are not also HLTH or WHC employees. We refer to these individuals as Non-Employee Directors. The Compensation Committee of the HLTH Board is authorized to determine the compensation of the Non-Employee Directors. As described below, only two types of compensation were paid by HLTH to Non-Employee Directors in 2008 for their Board and Board Committee service: (1) cash and (2) grants of non-qualified options to purchase HLTH Common Stock. None of the Non-Employee Directors received any other compensation from HLTH during 2008 and none of them provided any services to HLTH during 2008, except their service as a director. HLTH does not offer any deferred compensation plans or retirement plans to its Non-Employee Directors.

***2008 Director Compensation Table.*** This table provides information regarding the value of the compensation of the Non-Employee Directors for 2008, as calculated in accordance with applicable SEC regulations. This table should be read together with the additional information under the headings Cash Compensation and Option Grants below.

| (a) Name | (b) Fees Earned or Paid in Cash ($) | (c) Option Awards ($)(1)(2) | (d) Total ($) |
|---|---|---|---|
| Mark J. Adler, M.D.(3) | 62,500 | 61,686 | 124,186 |
| Paul A. Brooke | 75,000 | 61,686 | 136,686 |
| Neil F. Dimick(3) | 57,500 | 61,686 | 119,186 |
| James V. Manning(3) | 80,000 | 61,686 | 141,686 |
| Herman Sarkowsky | 65,000 | 61,686 | 126,686 |
| Joseph E. Smith | 75,000 | 61,686 | 136,686 |

(1) The amounts reported in Column (c) above reflect the aggregate dollar amounts recognized by HLTH in 2008 for stock option awards for income statement reporting purposes under Statement of Financial Accounting Standards ( SFAS ) No. 123R, Share-based Payments (disregarding any estimate of forfeitures related to service-based vesting conditions). See Note 15 (Stock-Based Compensation) to the Consolidated Financial Statements included in this Annual Report for an explanation of the methodology and assumptions used in determining the fair value of stock option awards granted. The amounts reported in Column (c) reflect our accounting expense for these stock option awards, not amounts realized by our Non-Employee Directors. The actual amounts, if any, ultimately realized by our Non-Employee Directors from options to purchase HLTH Common Stock will depend on the price of HLTH Common Stock at the time they exercise vested stock options.

(2) Under HLTH s Amended and Restated 2000 Long-Term Incentive Plan (which we refer to as the 2000 Plan), each Non-Employee Director of HLTH automatically receives a non-qualified option to purchase 20,000 shares of HLTH Common Stock on each January 1, with an exercise price equal to the closing price on the last trading date of the prior year and a vesting schedule as follows: 1/4 of the grant on the first anniversary of the date of grant and 1/48 of the grant on a monthly basis over the next three years (full vesting on the fourth anniversary of the date of grant). In addition, each Non-Employee Director of HLTH received, pursuant to a discretionary grant made on December 10, 2008, a non-qualified option to purchase 20,000 shares of HLTH Common Stock and with the same vesting schedule as the automatic grant. The grants made on January 1, 2008 each had an exercise

price of $13.40 per share and a total grant date fair value equal to $78,398 and the grants made on December 10, 2008 each had an exercise price of $9.46 per share and a total grant date fair value equal to $56,872 (the fair value, in each case, being based on the methodology and assumptions referred to in Footnote 1 above). The following lists the total number of shares of HLTH Common Stock subject to outstanding unexercised option awards held by each of our Non-Employee Directors as of December 31, 2008 and the weighted average exercise price of those options:

| **Name** | **Number of Shares Subject to Outstanding Options** | **Weighted Average Exercise Price** |
|---|---|---|
| Mark J. Adler, M.D. | 276,000 | $ 10.35 |
| Paul A. Brooke | 250,000 | $ 8.57 |
| Neil F. Dimick | 97,916 | $ 10.48 |
| James V. Manning | 288,000 | $ 9.24 |
| Herman Sarkowsky | 425,000 | $ 11.04 |
| Joseph E. Smith | 206,000 | $ 11.57 |

See Option Grants below for additional information.

(3) These three Non-Employee Directors of HLTH are also non-employee directors of WHC, for which they received compensation from WHC. For information regarding the compensation they received from WHC, see below under Compensation for Service on WHC Board.

***Cash Compensation***

*Overview.* For each of the Non-Employee Directors, the amount set forth in Column (b) of the 2008 Director Compensation Table represents the sum of the following amounts, each of which is described below:

- an annual retainer for service on the Board;
- annual fees for service on standing Committees of the Board;
- annual fees, if any, for serving as Chairperson of standing Committees of the Board; and
- fees, if any, for service on other Committees of the Board.

Non-Employee Directors do not receive per meeting fees but are reimbursed for out-of-pocket expenses they incur in connection with attending Board and Board Committee meetings and our Annual Meeting of Stockholders.

*Board Service.* Each Non-Employee Director receives an annual retainer of $30,000 for service on the HLTH Board.

*Service on Standing Committees.* We pay annual fees for service by Non-Employee Directors on the standing committees of our Board, other than the Executive Committee (for which no fees are paid). We also pay annual fees to the Chairperson, if any, of those Committees The amounts of such annual fees are as follows:

| **Type of Service** | **Annual Fee** |
|---|---|
| Membership on Audit Committee *(Messrs. Brooke, Manning and Smith)* | $ 15,000 |
| Membership on Compensation Committee *(Dr. Adler and Messrs. Sarkowsky and Smith)* or Nominating Committee *(Messrs. Brooke, Dimick and Sarkowsky)* | $ 5,000 |
| Membership on Governance & Compliance Committee *(Dr. Adler and Messrs. Dimick and Manning)* or Related Parties Committee *(Messrs. Brooke, Sarkowsky and Smith)* | $ 10,000 |
| Chairperson of Compensation Committee *(Dr. Adler)* or Nominating Committee *(Mr. Dimick)* | $ 2,500 |
| Chairperson of Audit Committee *(Mr. Manning)* or Governance & Compliance Committee *(Mr. Dimick)* | $ 10,000 |

The amounts of the fees payable to Non-Employee Directors for service on our Board and its standing Committees are determined by the Compensation Committee and may be changed by it from time to time. The Compensation Committee also has discretion to determine whether such compensation is paid in cash, in HLTH Common Stock or some other form of compensation.

*Service on Other Committees.* Our Non-Employee Directors may also receive additional fees for service on committees established by the Board for specific purposes. Those fees are generally paid on a quarterly basis for the period that the committee exists and may be set by the Board, the Compensation Committee or the committee itself. Messrs. Brooke, Manning, Sarkowsky and Smith and Dr. Adler were each paid $15,000 for their service in 2008 as members of a special committee of the Board to oversee matters relating to the investigations described in Legal Proceedings Investigations by United States Attorney for the District of South Carolina and the SEC in Note 14 to the

Consolidated Financial Statements included in this Annual Report. Members of this special committee will continue to receive compensation for their service on the committee. The current quarterly payment is $3,750 per member.

***Option Grants***

*Annual Stock Option Grants.* On January 1 of each year, each Non-Employee Director receives a non-qualified option to purchase 20,000 shares of HLTH Common Stock pursuant to automatic annual grants of

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stock options under our 2000 Plan. The annual stock option awards are granted with a per-share exercise price equal to the fair market value of a share of HLTH Common Stock on the grant date. For these purposes, and in accordance with the terms of the 2000 Plan and HLTH s equity award grant practices, the fair market value is equal to the closing price of a share of HLTH Common Stock on the Nasdaq Global Select Market on the last trading day of the prior year. The vesting schedule for each automatic annual grant is as follows: 1/4 of the grant on the first anniversary of the date of grant and 1/48 of the grant on a monthly basis over the next three years (full vesting on the fourth anniversary of the date of grant). Each of our Non-Employee Directors received automatic annual grants of options to purchase 20,000 shares of HLTH Common Stock on January 1, 2009 (with an exercise price of $10.46 per share) and January 1, 2008 (with an exercise price of $13.40 per share). The options granted to Non-Employee Directors do not include any dividend or dividend equivalent rights. Each such option will expire, to the extent not previously exercised, ten years after the date of grant or earlier if their service as a director ends (generally, three years from the date such service ends).

Under the 2000 Plan, outstanding unvested options held by Non-Employee Directors vest and become fully exercisable: (a) upon the Non-Employee Director s death or termination of service as a result of disability; and (b) upon a Change in Control of HLTH. Those options, and any others that had previously vested, will then continue to be exercisable or lapse in accordance with the other provisions of the 2000 Plan and the award agreement. For purposes of the 2000 Plan, a Change in Control generally includes (i) a change in the majority of the Board of Directors of HLTH without the consent of the incumbent directors, (ii) any person or entity becoming the beneficial owner of 25% or more of the voting shares of HLTH and the Compensation Committee determining that such transaction constitutes a change in control, taking into consideration all relevant facts, (iii) consummation of a reorganization, merger or similar transaction as a result of which HLTH s stockholders prior to the consummation of the transaction no longer represent 50% of the voting power and (iv) consummation of a sale of all or substantially all of HLTH s assets.

*Discretionary Grants.* Our Non-Employee Directors may receive grants of stock options under the 2000 Plan at the discretion of the Compensation Committee of the HLTH Board. On December 10, 2008, each Non-Employee Director received a non-qualified option to purchase 20,000 shares of HLTH Common Stock. The grants had an exercise price of $9.46 per share and the same vesting schedule and other terms as described above with respect to the annual grants to Non-Employee Directors. The most recent prior such discretionary grants were made in 2002 and also consisted of grants of non-qualified options to purchase 20,000 shares of HLTH Common Stock.

***Compensation for Service on WHC Board.*** Dr. Adler and Messrs. Dimick and Manning serve as non-employee directors of WHC and receive compensation from WHC for their service. The Compensation Committee of the WHC Board is authorized to determine the compensation of WHC s non-employee directors. The HLTH directors serving on the WHC Board received three types of compensation in 2008 from WHC for their Board and Board Committee service: (1) annual fees paid in the form of shares of WHC Class A Common Stock; (2) grants of non-qualified options to purchase WHC Class A Common Stock and (3) cash fees for service on the Strategic Planning Committee of the WHC Board. None of these non-employee directors received any other compensation from WHC during 2008 and none of them provided any services to WHC during 2008, except their service as a director. WHC does not offer any deferred compensation plans or retirement plans to its non-employee directors.

The following table provides information regarding the value of the compensation from WHC to the individuals listed for 2008, as calculated in accordance with applicable SEC regulations:

| | **(b) Stock** | **(c) Option** | **(d) Cash Fees for** | **(e)** |
|---|---|---|---|---|

| (a) Name | Awards ($)(1) | Awards ($)(2)(3) | Strategic Planning Committee Service ($) | Total ($) |
|---|---|---|---|---|
| Mark J. Adler, M.D. | 57,089 | 168,184 | 3,750 | 229,023 |
| Neil F. Dimick | 82,089 | 168,184 | 3,750 | 254,023 |
| James V. Manning | 74,589 | 168,184 | 3,750 | 246,523 |

(1) Shares of WHC Class A Common Stock were issued by WHC on September 28, 2008 (the anniversary of WHC s initial public offering) in payment for annual fees for service on the WHC Board and its standing committees. These shares are not subject to vesting requirements or forfeiture. The amounts (expressed in dollars) of the fees are the same as those applicable to the HLTH Board and its standing Committees, as described above. For each individual listed in Column (a) of this table, the number of shares to be issued was determined by dividing the aggregate dollar amount of the fees by $32.75 (the closing price of WHC Class A Common Stock on the Nasdaq Global Select Market on September 26, 2008, the last trading day prior to the anniversary of WHC s 2005 initial public offering on September 28, 2008, which fell on a Sunday), with cash paid in lieu of issuing fractional shares. Dr. Adler received 1,450 shares of WHC Class A Common Stock; Mr. Dimick received 2,213 shares; and Mr. Manning received 1,984 shares. In addition, this column includes $9,589 for each individual, which reflects the aggregate dollar amounts recognized by WHC in 2008, for income statement reporting purposes under SFAS No. 123R (based on the methodology and assumptions referred to in Footnote 2 below), for grants of WHC Restricted Stock made to these directors at the time of WHC s initial public offering. That amount reflects WHC s accounting expense for these WHC Restricted Stock awards, not amounts realized by our Non-Employee Directors. The actual amounts, if any, ultimately realized by our Non-Employee Directors from WHC Restricted Stock will depend on the price of WHC Class A Common Stock at the time the WHC Restricted Stock vests.

(2) The amounts reported in Column (c) above reflect the aggregate dollar amounts recognized by WHC in 2008 for stock option awards for income statement reporting purposes under SFAS No. 123R (disregarding any estimate of forfeitures related to service-based vesting conditions). See WHC Plans in Note 15 (Stock-Based Compensation) to the Consolidated Financial Statements included in this Annual Report for an explanation of the methodology and assumptions used in determining the fair value of stock option awards granted. The amounts reported in Column (c) reflect WHC s accounting expense for these stock option awards, not amounts realized by the individuals listed in the table. The actual amounts, if any, ultimately realized by these individuals from WHC equity compensation will depend on the price of WHC Class A Common Stock at the time they exercise vested stock options or at the time of vesting of WHC Restricted Stock.

(3) Under WHC s Amended and Restated 2005 Long-Term Incentive Plan (which we refer to as the WHC 2005 Plan), each Non-Employee Director of WHC automatically receives a non-qualified option to purchase 13,200 shares of WHC Class A Common Stock on each January 1, with an exercise price equal to the closing price on the last trading date of the prior year. In addition, each Non-Employee Director of WHC received, pursuant to a discretionary grant made on December 10, 2008, a non-qualified option to purchase 13,200 shares of WHC Class A Common Stock. The grants made on January 1, 2008 each had an exercise price of $41.07 per share and a total grant date fair value equal to $183,939 and the grants made on December 10, 2008 each had an exercise price of $23.61 and a total grant date fair value equal to $133,440 (the fair value, in each case, being based on the methodology and assumptions referred to in Footnote 2 above). The vesting schedule for all such grants is 25% of the original amount granted on each of the first, second, third and fourth anniversaries of the date of grant. The following lists the total number of shares of WHC Class A Common Stock subject to outstanding unexercised option awards held by the listed individuals as of December 31, 2008 and the weighted average exercise price of those options:

| Name | Number of Shares Subject to Outstanding WHC Options | Weighted Average Exercise Price |
|---|---|---|

| | | | |
|---|---|---|---|
| Mark J. Adler, M.D. | 66,000 | $ | 30.25 |
| Neil F. Dimick | 66,000 | $ | 30.25 |
| James V. Manning | 66,000 | $ | 30.25 |

In addition, as of December 31, 2008, each of the listed individuals held 1,100 shares of unvested WHC Restricted Stock that were granted at the time of WHC s initial public offering.

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## Item 11. *Executive Compensation*

### Overview

This section of our Annual Report contains information regarding our compensation programs and policies and, in particular, their application to a specific group of individuals that we refer to as our Named Executive Officers. Under applicable SEC rules, our Named Executive Officers for this Annual Report consist of the two individuals who served as Chief Executive Officer during 2008, our Chief Financial Officer during that year and the four other executive officers of HLTH who received the most compensation for 2008 (including one such individual who is no longer an executive officer of HLTH). This section is organized as follows:

> ***2008 Report of the Compensation Committee.*** This section contains a report of the Compensation Committee of our Board of Directors regarding the  Compensation Discussion and Analysis  section described below. The material in the 2008 Report of the Compensation Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that HLTH specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.
>
> ***Compensation Committee Interlocks and Insider Participation.*** This section contains information regarding certain types of relationships involving our Compensation Committee members.
>
> ***Compensation Discussion and Analysis.*** This section contains a description of the specific types of compensation we pay, a discussion of our compensation policies, information regarding how those policies were applied to the compensation of our Named Executive Officers for 2008 and other information that we believe may be useful to investors regarding compensation of our Named Executive Officers and other employees.
>
> ***Executive Compensation Tables.*** This section provides information, in tabular formats specified in applicable SEC rules, regarding the amounts or value of various types of compensation paid to our Named Executive Officers and related information.
>
> ***Potential Payments and Other Benefits Upon Termination or Change in Control.*** This section provides information regarding amounts that could or have become payable to our Named Executive Officers following specified events.
>
> ***Employment Agreements with Named Executive Officers.*** This section contains summaries of the employment agreements between HLTH (or our subsidiaries) and our Named Executive Officers. We refer to these summaries in various other places in this Executive Compensation section.

The parts of this Executive Compensation section described above are intended to be read together and each provides information not included in the others. In addition, for background information regarding the Compensation Committee of our Board of Directors and its responsibilities, please see Item 10 above under the heading  Committees of the Board of Directors  Compensation Committee,  which is hereby incorporated by reference into this Item 11.

### 2008 Report of the Compensation Committee

The Compensation Committee of our Board of Directors provides oversight of HLTH s compensation programs and makes specific decisions regarding compensation of the Named Executive Officers and HLTH s other executive officers. Set out below is the Compensation Discussion and Analysis section of this Annual Report. That section contains a discussion of HLTH s executive compensation programs and policies and their application by the Compensation Committee for 2008 to the Named Executive Officers. The Compensation Committee has reviewed and discussed with management the disclosures contained in the Compensation Discussion and Analysis. Based upon this review and our discussions, the Compensation Committee has

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recommended to our Board of Directors that the Compensation Discussion and Analysis section be included in this Annual Report on Form 10-K.

*Mark J. Adler, M.D. (Chairperson)*
*Herman Sarkowsky*
*Joseph E. Smith*

**Compensation Committee Interlocks and Insider Participation**

Each of the Compensation Committee members whose name appears under the Compensation Committee Report was a Committee member for all of 2008. No current member of the Compensation Committee is a current or former executive officer or employee of HLTH or had any relationships in 2008 requiring disclosure by HLTH or WHC under the SEC s rules requiring disclosure of certain relationships and related-party transactions.

None of HLTH s executive officers served as a director or a member of a compensation committee (or other committee serving an equivalent function) of any other entity, the executive officers of which served as a director or member of the Compensation Committee of the HLTH Board or the Compensation Committee of the WHC Board during the fiscal year ended December 31, 2008.

**Compensation Discussion and Analysis**

This section contains a description of the specific types of compensation we pay, a discussion of our compensation policies, information regarding how the compensation of our Named Executive Officers for 2008 was determined under those policies and other information that we believe may be useful to investors regarding compensation of our Named Executive Officers and other employees.

***Overview of Types of Compensation Used by HLTH.*** The compensation of our Named Executive Officers consists primarily of the following:

- cash salary;
- an annual cash bonus, the amount of which was determined, for 2008, by the Compensation Committee in its discretion;
- special bonuses to provide recognition for specific accomplishments or at the time of a promotion, if determined by the Compensation Committee to be appropriate and in amounts determined by the Compensation Committee in its discretion;
- grants of non-qualified options to purchase shares of HLTH Common Stock, subject to vesting based on continued employment, with an exercise price that is equal to the fair market value of HLTH Common Stock on the grant date (and, in the case of certain Named Executive Officers, options to purchase shares of WHC Class A Common Stock, with an exercise price that is equal to the fair market value of WHC Class A Common Stock on the grant date); and
- grants of shares of restricted HLTH Common Stock (which we refer to as HLTH Restricted Stock), subject to vesting based on continued employment and, in the case of Messrs. Gattinella and Wygod only, shares of restricted WHC Class A Common Stock (which we refer to as WHC Restricted Stock), subject to vesting based on continued employment.

A discussion of the above types of compensation, to the extent used in 2008, follows under the heading Use of Specific Types of Compensation in 2008. The compensation of our other executives generally consists of the same types (other than WHC equity compensation), with the specific amounts determined by our Chief Executive Officer and other members of our senior management.

In determining the forms of compensation to be used by HLTH, the Compensation Committee considers various factors, including the effectiveness of the incentives provided, tax and accounting considerations, the compensation practices of other companies and the expectations of our employees and our investors. In addition, the Compensation Committee believes that it is important that compensation be understood by the employees who receive it and by our company s investors. The Compensation Committee believes that our compensation programs, including the types of stock options and restricted stock that we use, are effective forms of compensation and well understood. We have not offered any deferred compensation plans to our executive officers or to our other employees. We have also not offered any retirement plans to our executive officers, other than 401(k) plans generally available to our employees. Subject to the terms of the HLTH 401(k) Savings and Employee Stock Ownership Plan (which we refer to as the HLTH 401(k) Plan), HLTH matches, in cash, 25% of amounts contributed to that Plan by each Plan participant, up to 6% of eligible pay. The matching contribution made by HLTH is subject to vesting, based on continued employment, with 50% scheduled to vest on each of the first and second anniversaries of an employee s date of hire (with employees vesting immediately in any matching contribution made after the second anniversary). Messrs. Cameron, Funston and Gattinella are the Named Executive Officers who chose to participate in the HLTH 401(k) Plan in 2008. WHC employees are eligible to participate in the HLTH 401(k) Plan. Our Porex subsidiary also sponsors a 401(k) plan for its employees and Mr. Midgette, who is CEO of Porex and an executive officer of HLTH, is a participant in that 401(k) plan. The Porex 401(k) Plan matches 100% of the first 3% of eligible pay contributed to the Plan and 50% of the next 2% of eligible pay. Such matching contributions are fully vested. Arthur Lehrer, who was an executive officer of HLTH in 2008 until completion of the ViPS Sale, participated in a 401(k) plan sponsored by ViPS.

***Discussion of Compensation Policies.*** The Compensation Committee s guiding philosophy is to establish a compensation program that is:

> *Competitive with the market in order to help attract, motivate and retain highly qualified managers and executives.* We seek to attract and retain talent by offering competitive base salaries, annual incentive opportunities, and the potential for long-term rewards through equity-based awards, such as stock options and restricted stock. We have, in the past, granted and may continue to grant equity-based awards to a large portion of our employees, not just our executives. Those awards have been primarily in the form of non-qualified options to purchase HLTH Common Stock.
>
> *Performance-based to link executive pay to company performance over the short term and long term and to facilitate shareholder value creation.* It is HLTH s practice to provide compensation opportunities in addition to base salary that are linked to our company s performance and the individual s performance. Achievement of short-term goals is rewarded through annual cash bonuses, while achievement of long-term objectives is encouraged through nonqualified stock option grants and restricted stock awards that are subject to vesting over periods generally ranging from three to four years. Through annual and long-term incentives, a major portion of the total potential compensation of HLTH s executive officers (and other members of senior management) is placed at risk in order to motivate them to improve the performance of our businesses and to increase the value of our company.
>
> *Designed to foster a long-term commitment by management.* The Compensation Committee believes that there is great value to our company in having a team of long-tenured, seasoned executives and managers. Our compensation practices are designed to foster a long-term commitment to HLTH by our management team. The vesting schedules attributable to equity grants are typically 3 to 4 years with, in some cases (particularly for more senior executives), scheduled vestings that are smaller in the early vesting periods and greater in the later vesting periods.

The Compensation Committee has not retained outside consultants to assist it in implementing these policies or making specific decisions relating to executive compensation. The Compensation Committee does, from time to time, review general information regarding the compensation practices of other companies, including some that are likely to compete with HLTH for the services of our executives and employees and that information is a factor used by the

Committee in its decisions and in its general oversight of compensation practices at HLTH. However, the Compensation Committee does not use that information to generate specific compensation amounts or targets and does not seek to create an objective standard for HLTH compensation based on what other companies have done. Instead, in each compensation decision, the Committee exercises its business judgment regarding the appropriateness of types and amounts of compensation in light of the value to HLTH of specific individuals. With respect to 2008 compensation, the Compensation Committee took into account recommendations made by the Chairman of the Board and Acting Chief Executive Officer of HLTH with respect to determinations of the types and amounts of compensation to be paid to the other executive officers and also discussed with the Chairman of the Board and Acting Chief Executive Officer the types and amounts he believed would be appropriate to pay to him in light of the amounts being recommended for, and paid to, the other HLTH executive officers.

HLTH s senior management generally applies a similar philosophy and similar policies to determine the compensation of officers and managers who are not executive officers and reports to the Compensation Committee regarding these matters.

The Compensation Committees of the HLTH and WHC Boards coordinate their decision-making to the extent they believe appropriate, including by having Mark J. Adler, M.D. serve as Chairman of both Compensation Committees and by having many of the meetings of the Compensation Committees be joint meetings that include discussion of compensation at both HLTH and WHC. That coordination began when WHC first became a public company in 2005, at a time when the compensation of its executive officers had, historically, been determined by, or under the oversight of, the HLTH Compensation Committee and one goal of that coordination was to facilitate continuity in decision-making. The reason for continued coordination of the decision-making of the two Compensation Committees has been to have the executive compensation philosophies and practices at HLTH and at WHC (companies that share some of their executive officers) be generally consistent with each other, except to the extent the Compensation Committees choose to maintain or implement specific differences that they believe to be appropriate. Notwithstanding these efforts to coordinate the work of the two Compensation Committees, the HLTH Compensation Committee is responsible for making specific determinations regarding executive compensation paid by HLTH and the WHC Compensation Committee is responsible for making specific determinations regarding executive compensation paid by WHC.

***Key Corporate Transactions Affecting Compensation Decisions for 2008.*** The following key corporate transactions were relevant to compensation decisions for 2008:

> *2008 EBSCo Sale.* On November 16, 2006, we sold a 52% interest in the business that constituted our Emdeon Business Services segment, excluding its ViPS business unit (which we refer to as EBS) to an affiliate of General Atlantic LLC (which we refer to as GA). In this Annual Report, we refer to this transaction as the 2006 EBS Sale. We received cash proceeds of approximately $1.2 billion from the 2006 EBS Sale. From the closing of the 2006 EBS Sale to the closing of the 2008 EBSCo Sale (described below), we owned 48% of EBS Master LLC (which we refer to as EBSCo), the entity that acquired EBS in the 2006 EBS Sale. In this Annual Report, we use the names Emdeon Business Services and EBS to refer to the business owned by EBSCo and, with respect to periods prior to the consummation of the 2006 EBS Sale, to the reporting segment of our company. In February 2008, we completed the sale of our 48% minority ownership interest in EBSCo (which we refer to as the 2008 EBSCo Sale) to an affiliate of GA and affiliates of Hellman & Friedman, LLC. We received cash proceeds of approximately $575 million from the 2008 EBSCo Sale.
>
> *ViPS Sale.* In February 2008, we announced our intention to divest our ViPS segment. On July 22, 2008, we completed the sale of our ViPS segment to an affiliate of General Dynamics Corporation. In this Annual Report, we refer to this transaction as the ViPS Sale. Through ViPS, we had provided healthcare data management, analytics, decision-support and process automation solutions and related information technology services to governmental, Blue Cross Blue Shield and commercial healthcare payers. In the ViPS Sale, we received cash proceeds of approximately $223 million, net of a working capital adjustment, professional fees and other expenses.

*Terminated WHC Merger.* In February 2008, HLTH and WHC entered into an Agreement and Plan of Merger (which we refer to as the Merger Agreement), pursuant to which HLTH would merge into WHC (which we refer to as the WHC Merger), with WHC continuing as the surviving corporation. The Merger Agreement resulted from negotiations between HLTH and a Special Committee of the Board of Directors of WHC during late 2007 and early 2008. HLTH s Board of Directors had initiated the process leading to the entry into the Merger Agreement with WHC because it believed that the primary reason of many of the holders of HLTH Common Stock for owning those shares was HLTH s controlling interest in WHC and that the value of HLTH s other businesses was not adequately reflected in the trading price of HLTH Common Stock. In connection with the entry by HLTH and WHC into the Merger Agreement, the HLTH Board made a determination to divest Porex and ViPS (which divestitures were not, however, dependent on the merger occurring). Pursuant to the terms of a Termination Agreement entered into on October 19, 2008 (which we refer to as the Termination Agreement), HLTH and WHC mutually agreed, in light of the turmoil in financial markets, to terminate the Merger Agreement. The termination of the Merger Agreement was by mutual agreement of the companies and was unanimously approved by the Board of Directors of each of the companies and by the Special Committee of independent directors of WHC. The Boards determined that both HLTH, as controlling stockholder of WHC, and the public stockholders of WHC would benefit from WHC continuing as a publicly-traded subsidiary with no long-term debt and approximately $340 million in cash and investments. The Boards concluded that, by terminating the merger, HLTH and WHC would retain financial flexibility and be in a position to pursue potential acquisition opportunities expected to be available to companies with significant cash resources in a period of financial market uncertainty.

*2008 Tender Offer.* Following the termination of the WHC Merger, our Board of Directors determined that repurchasing our Common Stock through a tender offer would be an efficient means to provide value to our stockholders. In deciding to make the offer, our Board of Directors considered that, following the termination of the WHC Merger, some holders of HLTH Common Stock might wish to have the opportunity to sell some or all of their holdings for cash. On October 27, 2008, we commenced a tender offer to purchase up to 80,000,000 shares of our common stock at a price of $8.80 per share. In this Annual Report, we refer to this tender offer as the 2008 Tender Offer. The 2008 Tender Offer represented an opportunity for HLTH to return capital to stockholders who elected to tender their shares of HLTH Common Stock, while stockholders who chose not to participate in the 2008 Tender Offer automatically increased their relative percentage interest in our company at no additional cost to them. Prior to the closing of the 2008 Tender Offer, we exercised our right to purchase an additional 2% of our outstanding shares without extending the tender offer. On November 25, 2008, the 2008 Tender Offer was completed and, as a result, we repurchased 83,699,922 shares of our Common Stock at a price of $8.80 per share. The shares purchased in the 2008 Tender Offer represented approximately 45% of the outstanding shares of our Common Stock immediately prior to the tender offer. As a result of the 2008 Tender Offer, a prior tender offer in 2006 and additional repurchases of our Common Stock under repurchase programs, the number of shares of our Common Stock outstanding declined from 278,327,825 on December 31, 2005 to 101,374,536 on December 31, 2008 (in each case, excluding unvested shares of restricted Common Stock granted under our equity plans).

*Planned Porex Sale.* In February 2008, we announced our intention to divest our Porex segment. The divestiture process for Porex remains ongoing. Porex develops, manufactures and distributes proprietary porous plastic products and components used in healthcare, industrial and consumer applications. Porex also provides porous plastic surgical implants used in reconstruction and cosmetic surgery of the head, face and neck.

For additional information regarding these transactions, see Notes 3, 4, 6 and 17 to the Consolidated Financial Statements included in this Annual Report and see Transactions with WHC Termination Agreement in Item 13 below. The efforts of management with respect to these transactions was taken into consideration in compensation decisions with respect to 2008, both by the Compensation Committee in its decisions relating to executive officer compensation and by the Chief Executive Officer and other members of senior management in their decisions relating to other executives.

***Use of Specific Types of Compensation in 2008.***

*Base Salary.* The Compensation Committee reviews the base salaries of our executive officers from time to time, but has made few changes in those salaries in recent years except upon a change in position. In 2008, no changes were made to the salaries of any of our Named Executive Officers, other than Mr. Midgette, whose

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salary was increased from $280,000 to $300,000 near the end of the year, which was the only increase in his salary since he joined Porex in 2002. In general, it is the Compensation Committee s view that increases in the cash compensation of our executive officers should be performance-based and achieved through the bonus-setting process, rather than through an increase in base salary. However, the Compensation Committee considers various factors when it contemplates an adjustment to base salary, including: company performance, the executive s individual performance, scope of responsibility and changes in that scope (including as a result of promotions), tenure, prior experience and market practice. HLTH s senior management considers similar factors in determining whether to make adjustments to salaries of other employees, and such changes are made more frequently.

*Bonuses.* HLTH s Named Executive Officers have the opportunity to earn annual cash bonuses. However, HLTH s Named Executive Officers (and its other executive officers) do not participate in a formal annual bonus plan and the Compensation Committee did not set quantitative performance targets, in advance, for use in determining bonus amounts for executive officers for 2008. After the end of 2008, the Compensation Committee determined such amounts based on its subjective assessment of (a) the performance of HLTH s businesses in 2008, taking into consideration its views regarding the extent to which financial and operational goals discussed by management and the Board at various times during 2008 were achieved; and (b) the efforts of the individual Named Executive Officers in connection with the transactions described above under Key Corporate Transactions Affecting Compensation Decisions for 2008. The Compensation Committee believes that, for HLTH at this time, a flexible annual bonus process is a more appropriate one for motivating HLTH s executive officers than setting quantitative targets in advance because it allows the Compensation Committee to consider, in its bonus determinations:

- goals of any type set by the Board and communicated to senior management at any point in the year;
- the effects of acquisitions and dispositions of businesses made during the year; and
- the effects of unexpected events and changes in HLTH s businesses during the year.

The Compensation Committee may, at some point in the future, determine that it will use quantitative targets set in advance in determining executive officer bonuses. In addition, in some years, bonus awards for some of our executive officers (particularly newly-hired executive officers) may be dictated by the terms of the executive s employment agreement, providing for payment of a specified bonus amount or an amount within a specific range with respect to a specific employment period. No such requirements applied with respect to our Named Executive Officers for 2008.

While the Compensation Committee does not set quantitative performance targets in advance, it does set individual target bonus opportunities, as a percentage of base salary, for each Named Executive Officer. In some cases, these percentages are reflected in the employment agreement for the Named Executive Officer approved by the Compensation Committee. The higher the target percentage of an individual s salary that the annual bonus opportunity represents, the greater the percentage of total annual cash compensation that is not guaranteed for that individual. Generally, the target percentage (and therefore the percentage of annual compensation that is not guaranteed) increases with the level and scope of responsibility of the executive, as does salary. The target bonus opportunities for the Named Executive Officers who served for all of 2008 (which does not include Messrs. Cameron and Lehrer, whose bonuses are discussed below under

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Application of Compensation Policies to Individual Named Executive Officers ) are set forth in the following table:

| Named Executive Officer | Title | Annual Salary | Target Annual Bonus Opportunity | Target Annual Bonus Amount as a Percent of Salary |
|---|---|---|---|---|
| Martin J. Wygod | Chairman of the Board and Acting CEO | $ 975,000 | $ 975,000 | 100% |
| Mark D. Funston | Executive Vice President and Chief Financial Officer | $ 375,000 | $ 187,000 | 50% |
| Wayne T. Gattinella | CEO of WebMD | $ 560,000 | $ 560,000 | 100% |
| Charles A. Mele | Executive Vice President, General Counsel & Secretary | $ 450,000 | $ 225,000 | 50% |
| William Midgette | CEO of Porex | $ 280,000 | $ 140,000 | 50% |

However, the Compensation Committee (or, in the case of Mr. Gattinella, the WHC Compensation Committee) retained discretion in 2008 regarding the actual annual bonus amounts to be paid, which could be less than, equal to or more than the target bonus opportunity. The following table lists the amount of the annual cash bonuses paid to these Named Executive Officers with respect to 2008 and 2007 and the percentage this represented of the target bonus opportunity:

| Named | | 2008 Annual Bonus | | 2007 Annual Bonus | |
|---|---|---|---|---|---|
| Executive Officer | Title | Amount | % of Target | Amount | % of Target |
| Martin J. Wygod | Chairman of the Board and Acting CEO | $ 1,500,000 | 154% | $ 520,000 | 53% |
| Mark D. Funston | Executive Vice President and Chief Financial Officer | $ 130,000 | 70% | $ 100,000 | 53% |
| Wayne T. Gattinella | CEO of WebMD | $ 270,000(1) | 48% | $ 270,000(1) | 48% |
| Charles A. Mele | Executive Vice President, General Counsel & Secretary | $ 350,000 | 156% | $ 233,000 | 104% |
| William Midgette | CEO of Porex | $ 91,000 | 65% | $ 108,500 | 78% |

(1) Includes $135,000 contributed to the Supplemental Bonus Trust described under Supplemental Bonus Plan (SBP) below.

In determining 2008 annual bonuses for HLTH s executive officers, the HLTH Compensation Committee did not attempt to tie the amounts of the bonuses to any specific financial or operational measures and, instead, based its bonus determinations on its subjective view of our company s financial and operational results and of management s performance in connection with key strategic transactions during 2008. In particular, the Compensation Committee believed it was appropriate to reward the Named Executive Officers for their efforts, on an individualized basis, in connection with the transactions described above under Key Corporate Transactions Affecting Compensation Decisions for 2008. Differences in the amounts of 2008 bonuses among the Named Executive Officers resulted from differences in the general level of responsibility within the company of the individual Named Executive Officers and differences in their level of involvement in those transactions. Messrs. Wygod and Mele were the Named Executive Officers with the most significant involvement in all of the transactions, including in analysis of alternatives, structuring, negotiations, interfacing with outside advisors, supervision of internal staff, and the making of recommendations to the HLTH Board. With respect to Mr. Midgette, his bonus took into consideration not only Porex s results (which did not meet expectations), but also his efforts in connection with the sales process relating to Porex. Finally, in the case of Mr. Wygod, the amount of his bonus also reflected recognition of the additional responsibilities he assumed, without any change in salary, as Acting CEO beginning in February 2008 when Mr. Cameron went on medical leave.

For 2008, there were two separate bonus amounts for Mr. Gattinella: a cash bonus of $135,000 paid in March 2009; and an award of $135,000 under the Supplemental Bonus Program described under Supplemental Bonus Plan (SBP) below. The two amounts were the same for Mr. Gattinella in 2008 as they had been in 2007. As discussed above, the WHC Compensation Committee did not attempt to tie the amounts of the 2008 annual bonus for Mr. Gattinella to any specific measures. The WHC Compensation Committee determined these amounts based on its subjective view of WHC s financial and operational performance and Mr. Gattinella s individual performance. Because WHC s financial performance in 2008 did not fully achieve expectations, including publicly disclosed guidance issued by management, but did reflect significant year-over-year growth in a difficult economic environment, the Compensation Committee set bonus amounts near 50% of target for Mr. Gattinella, with his bonus being equal to the amount for the prior year.

*Supplemental Bonus Plan (SBP).* The WHC Compensation Committee approved the contribution, in March 2008, to a trust (which we refer to Supplemental Bonus Trust) of Supplemental Bonus Plan (SBP) Awards for certain WHC officers and employees, including a $135,000 contribution for Mr. Gattinella. In March 2009, the Supplemental Bonus Trust distributed the March 2008 SBP Awards, together with actual net interest earned on the respective amounts, to SBP participants and, at that time, Mr. Gattinella received $136,869. In order to receive the applicable payment from the Supplemental Bonus Trust, each SBP participant was required to be employed by WHC on March 1, 2009 (subject to limited exceptions for death, disability, or certain terminations of employment in connection with a sale of a subsidiary, the closing of a business location or certain other position eliminations). In February 2009, the Compensation Committee of the WHC Board approved the contribution, in March 2009, to the Supplemental Bonus Trust of SBP Awards, including a $135,000 contribution for Mr. Gattinella. The Supplemental Bonus Trust will distribute the March 2009 SBP Awards, together with actual net interest earned on the respective amounts, to SBP participants as promptly as practicable following March 1, 2010 (but in no event later than 21/2 months following such date); provided, however, that in order to receive such payment, the SBP participant must continue to be employed by WHC on March 1, 2010 (subject to the limited exceptions described above). Any contributions to the Supplemental Bonus Trust that are forfeited for failure to meet the employment condition by an SBP participant are shared by the remaining SBP participants, except that SBP participants who are executive officers of WHC are not eligible to receive any portion of such forfeitures. Except for Mr. Gattinella, no Named Executive Officer of HLTH has been an SBP participant.

*Equity Compensation.* We use two types of long-term incentives: non-qualified stock options and restricted stock. Stock options are granted with an exercise price that is equal to the fair market value of HLTH Common Stock on the grant date. Thus, the Named Executive Officers will only realize value on their stock options if the price of HLTH Common Stock increases after the grant date. The Compensation Committee believes that equity compensation, subject to vesting periods of three to four years, encourages employees to focus on the long-term performance of HLTH. The amount that employees receive from equity awards increases when the price of HLTH Common Stock increases, which rewards employees for increasing shareholder value. The vesting schedules applicable to these equity awards are intended to further promote retention of employees during the vesting period.

The Compensation Committee does not make equity grants to our executive officers on an annual or other pre-determined basis. In determining whether and when to make equity grants, the Compensation Committee considers the history of prior grants made to individual executive officers, their vesting status and the amounts that have been or may be realized by those individuals from those grants. In addition, the Compensation Committee considers factors similar to those it considers in its decisions relating to cash compensation, as described above, including factors relating to individual and company performance. Finally, the Compensation Committee typically makes larger grants to the executive officers it believes have the greatest potential to affect the value of our company and improve results for stockholders. Similar considerations apply to grants made to other officers and employees. The WHC Compensation Committee takes a similar approach with respect to equity grants to WHC s executive officers and a similar approach is taken with respect to grants made to other WHC officers and employees.

In December 2008, the HLTH Compensation Committee approved the making of a broad-based equity grant to HLTH Corporate employees (and to certain members of Porex s management, including Mr. Midgette). Similarly, in December 2008, the WHC Compensation Committee approved the making of a broad-based equity grant to most of

WHC s employees, following an increase in the number of shares available for grant under the WHC 2005 Plan approved at the WHC 2008 Annual Meeting of Stockholders. The respective Compensation Committees also specifically determined the size and terms of the grants to be made to executive officers. The specific grants for our Named Executive Officers are listed in Executive Compensation Tables Grants of Plan-Based Awards in 2008 below. HLTH had not made any grants to the Named Executive Officers since the fourth quarter of 2006 (with no grant being made to Mr. Gattinella at that time) and WHC had not made any grants to any of HLTH s Named Executive Officers since the grants made at the time of WHC s initial public offering in September 2005. In making grants of WHC equity in December 2008, the WHC Compensation Committee took into consideration that those September 2005 grants will be fully vested in September 2009. The vesting schedule for the December 2008 WHC equity grants is 25% on March 31 of each of 2010 through 2013. This vesting schedule, which differs from the standard vesting scheduled used by WHC (25% on the first four anniversaries of grant), was designed so that the initial vesting would be six months after the last vesting of the grants made in connection with WHC s initial public offering. In making grants of HLTH equity in December 2008, the HLTH Compensation Committee took into consideration the fact that the option grants made in 2006 were out-of-the-money in December 2008, with an exercise price of $11.86 (or, in the case of Mr. Funston, of $11.60). The grants made in December 2008 had an exercise price of $9.46 (the closing price on December 10, 2008, the date of grant), other than the grant to Mr. Wygod, which had an exercise price of $8.49 (the closing price on December 1, 2008, the date of grant).

*Application of Compensation Policies to Individual Named Executive Officers.* Differences in compensation among our Named Executive Officers result from a number of factors and may vary from year to year. The primary factors that may create differences in compensation are disparities in: (a) the level of responsibility of the individual Named Executive Officers, including for those also compensated by WHC, their responsibilities at WHC, (b) individual performance of the Named Executive Officers, and (c) our need to motivate and retain specific individuals at specific points in time. In general, larger equity grants are made to our most senior executive officers because they have the greatest potential to affect the value of our company and to improve results for stockholders. Similarly, a greater portion of their total cash compensation is likely to come from their annual bonus. Similar considerations apply with respect to compensation from WHC.

In 2008, no changes were made to the salaries of our Named Executive Officers, other than a $20,000 increase for Mr. Midgette. Accordingly, the application of compensation policies to individual Named Executive Officers in 2008 related primarily to: (a) their bonuses (see Bonuses above for discussion of the determinations of the specific bonus amounts for the Named Executive Officers who served for all of 2008 and see the next two paragraphs in this section for discussions regarding bonus amounts for Messrs. Cameron and Lehrer, the two who served only for part of 2008); and (b) grants of equity made to them. With respect to the December 2008 equity grants, differences in the size of the grants related primarily to the nature and scope of the individual Named Executive Officer s level of responsibility within our company and, with respect to Messrs. Wygod and Funston, their level of responsibility within WHC. In the case of Mr. Wygod, the grant to him of HLTH Restricted Stock and options to purchase HLTH Common Stock was made in connection with an amendment to his employment agreement that, among other things, extended its term to the end of 2012. See Employment Agreements with Named Executive Officers Martin J. Wygod below for a description of the other changes made by the December 2008 amendment to Mr. Wygod s employment agreement. Messrs. Wygod and Funston each received equity grants from both HLTH and WHC in December 2008 because of their responsibilities and positions at both companies, with Mr. Wygod serving as Chairman of the Board of WHC and Mr. Funston as WHC s Chief Financial Officer. For Mr. Funston, this was his first grant of options to purchase WHC Class A Common Stock. Mr. Gattinella received grants only from WHC. The WHC equity grants were determined by the WHC Compensation Committee, with such approval occurring in a joint meeting with the HLTH Compensation Committee and each Compensation Committee took into consideration, in approving the December 2008 grants, the grants being approved by the other Compensation Committee.

For Mr. Cameron, who served as Chief Executive Officer of HLTH at the beginning of 2008, until beginning medical leave in February 2008, his bonus was based on his performance prior to the medical leave, including his role in leading HLTH management s efforts in connection with the 2008 EBSCo Sale and the successful completion of that sale. Mr. Cameron has continued to serve as a member of the HLTH Board while on medical leave, and the December 2008 grant of options to purchase 40,000 shares of HLTH Common

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Stock to him was intended to provide similar equity compensation as received by HLTH s Non-Employee Directors, who each received two grants of options to purchase 20,000 shares of HLTH Common Stock (a discretionary grant in December 2008 and an automatic annual grant on January 1, 2009). See Non-Employee Director Compensation Option Grants in Item 10 above.

The Compensation Committee, in its compensation decisions in 2008 regarding Mr. Lehrer, the CEO of ViPS, focused on providing incentives to him relating to the sales process for ViPS, including with respect to cash bonuses. Because those decisions related to compensation received by Mr. Lehrer after he left HLTH in connection with the closing of the VIPS Sale, they are described under Compensation Following Termination of Employment or a Change in Control Application in 2008 Mr. Lehrer below.

*Benefits and Perquisites.* Our executive officers are generally eligible to participate in HLTH s benefit plans on the same basis as our other employees (including matching contributions to a 401(k) Plan and company-paid group term life insurance). HLTH, for the past several years, has maintained a sliding scale for the cost of employee premiums for its health plan, under which employees with higher salaries pay a higher amount. The limited perquisites (or perks ) received by our Named Executive Officers in 2008 are described in the footnotes to the Summary Compensation Table and consisted primarily of car allowances. In addition, our executive officers (as part of a larger group of employees generally having a salary of $180,000 or more) receive company-paid supplemental disability insurance, the cost of which is listed in those footnotes.

***Compensation Following Termination of Employment or a Change in Control***

*Overview.* HLTH does not offer any deferred compensation plans to our executive officers or other employees and does not offer any retirement plans to our executive officers, other than 401(k) plans generally available to our other employees. Accordingly, the payment and benefit levels for HLTH s Named Executive Officers applicable upon a termination or a change in control result from provisions in the employment agreements between HLTH and the individual Named Executive Officers. However, unlike annual or special bonuses or the amounts of equity grants (which the Compensation Committee generally determines in its discretion at the time of payment or grant), the terms of employment agreements are the result of negotiations between HLTH and those individuals, generally occurring at the time the individual joined HLTH or in connection with a promotion to a more senior position with HLTH (subject to the approval of the Compensation Committee in the case of executive officer employment agreements). The Compensation Committee has, in the past, usually been willing to include similar provisions relating to potential terminations and changes in control in connection with the renewal of or extensions to an employment agreement with an existing executive officer as those in the existing employment agreement with that executive officer. The employment agreements with our Named Executive Officers are described under the heading Employment Agreements with Named Executive Officers below and summaries of the types of provisions relating to post-termination compensation included in those agreement are included in this section under the headings Employment Agreement Provisions Regarding Termination Benefits and Employment Agreement Provisions Regarding Change in Control Benefits below.

In determining whether to approve executive officer employment agreements (or amendments or extensions to those agreements), the Compensation Committee considers HLTH s need for the services of the specific individual and the alternatives available to HLTH, as well as potential alternative employment opportunities available to the individual from other companies. In considering whether to approve employment agreement terms that may result in potential payments and other benefits for executives that could become payable following a termination or change in control, the Compensation Committee considers both the costs that could potentially be incurred by HLTH, as well as the potential benefits to HLTH, including benefits to HLTH from post-termination confidentiality, non-solicit and non-compete obligations imposed on the executive and provisions relating to post-termination services required of certain Named Executive Officers. In the case of potential payments and other benefits that could potentially become payable following a change in control, the Compensation Committee considers whether those provisions would provide appropriate benefit to an acquiror, in light of the cost the acquiror would incur, as well as benefits to HLTH during the period an acquisition is pending.

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*Employment Agreement Provisions Regarding Termination Benefits.* The employment agreements with our Named Executive Officers provide for some or all of the following to be paid if the Named Executive Officer is terminated without cause or resigns for good reason (the definitions of which are typically set forth in the applicable employment agreement), dies or ceases to be employed as a result of disability:

- continuation of cash compensation (including salary and, in some cases, an amount based on past bonuses) for a period following termination;

- continuation of vesting and/or exercisability of some or all options or restricted stock; and

- continued participation in certain of HLTH s health and welfare insurance plans or payment of COBRA premiums.

The amount and nature of these benefits vary by individual, with the most senior of the Named Executive Officers typically receiving more of these benefits and receiving them for a longer period. These benefits also vary depending on the reason for the termination. See Employment Agreements with Named Executive Officers below for a description of the specific provisions that apply to each of our Named Executive Officers and Potential Payments and Other Benefits Upon Termination of Employment or Change in Control below for a sample calculation, based on applicable SEC rules, of the amounts that would have been payable if termination for specified reasons had occurred as of December 31, 2008. No such post-termination benefits apply if a Named Executive Officer is terminated for cause. The Compensation Committee believes that the protections provided to executive officers by the types of employment agreement provisions described above are appropriate for the attraction and retention of qualified and talented executives and consistent with good corporate governance.

*Employment Agreement Provisions Regarding Change in Control Benefits.* The Compensation Committee believes that executives should generally not be entitled to severance benefits solely upon the occurrence of a change in control, but that it is appropriate to provide for such benefits if a change in control is followed by a termination of employment or other appropriate triggering event. See Employment Agreement Provisions Regarding Termination Benefits above. However, as more fully described below under Employment Agreements with the Named Executive Officers and Potential Payments and Other Benefits Upon Termination of Employment or Change in Control below, the Compensation Committee has approved the following exceptions:

- Mr. Wygod s employment agreement includes terms providing that if there is a change in control of HLTH, all of his outstanding options and other equity compensation (including WHC equity) would become immediately vested and, if his employment terminates for any reason other than cause, the options would remain exercisable for the remainder of the originally scheduled term. The employment agreement also contains provisions providing that he may resign and receive severance payments, but it requires Mr. Wygod to provide certain consulting services during any period in which he is receiving severance (but at no more than 20% of the level of services that he devoted during the three years prior to the date of termination).

- With respect to Messrs. Cameron and Mele, their employment agreements include terms providing that:

  - they would be able to resign following a change in control, after the completion of a transition period with the successor, and receive the same benefits that they would be entitled to upon a termination without cause following the change in control (as set forth in the tables below and the descriptions of their respective employment agreements that follow); and

  - they would receive accelerated vesting of the options to purchase shares of WHC Class A Common Stock granted to them on September 28, 2005 in the event of a change in control of WHC or if WHC is no longer an affiliate of HLTH since, as a result of such a transaction, they would no longer have a direct involvement with WHC s business.

In the case of Mr. Gattinella, his employment agreement provides that, so long as he remains employed for one year following a change in control of WHC, his options to purchase WHC Class A Common Stock granted on December 10, 2008 would continue to vest until the second anniversary of the change in control, even if he resigns from the employ of WHC prior to such vesting date. In addition, that portion of the restricted stock grant made on December 10, 2008 that would have vested through the second anniversary of the change in control will accelerate to the date of his resignation.

In the negotiations with those Named Executive Officers regarding their employment agreements, the Compensation Committee recognized that, for those individuals, a change in control is likely to result in a fundamental change in the nature of their responsibilities. Accordingly, under their employment agreements, the Compensation Committee approved those Named Executive Officers having, following a change in control, the rights described above. The Compensation Committee believes that the rights provided are likely to be viewed as appropriate by a potential acquiror in the case of those specific individuals. In addition, the Compensation Committee sought to balance the rights given to those Named Executive Officers with certain requirements to provide transitional or consulting services in types and amounts likely to be viewed as reasonable by a potential acquiror.

If the benefits payable to Mr. Cameron, Mr. Mele, or Mr. Wygod in connection with a change in control would be subject to the excise tax imposed under Section 280G of the Internal Revenue Code of 1986 ( Section 280G ), HLTH has agreed to make an additional payment to the executive so that the net amount of such payment (after taxes) that such individual receives is sufficient to pay the excise tax due.

*Application in 2008.* During 2008, all employment agreements with the Named Executive Officers were amended in a manner intended to bring such agreements into compliance with Section 409A of the Internal Revenue Code (which we refer to below as Section 409A). In addition:

*Mr. Wygod.* The amendment to Mr. Wygod s employment agreement in December 2008 included certain changes to HLTH s obligations in the event of certain terminations of employment, including: (i) setting the severance period at three years (the prior agreement provided for a severance period equal to the remainder of the term, or if longer, two years); and (ii) including bonus as a component of the 3 year severance payment calculation (based on the average of the bonuses received over the prior three years) in recognition of the fact that bonuses have been a significant portion of the compensation paid to Mr. Wygod. See Employment Agreements with Named Executive Officers Martin J. Wygod below for additional description of the December 2008 amendment. The remaining provisions related to post-termination compensation (including the Section 280G gross-up provision described above) in that employment agreement were carried forward from the existing employment agreement with Mr. Wygod. The Compensation Committee believed that it was appropriate to maintain those provisions in the employment agreement in connection with extending the term of the agreement and that the rights provided to Mr. Wygod under those provisions, taken together with the changes made to the employment agreement, were reasonable in order to retain the services of Mr. Wygod and in light of the other provisions of the employment agreement.

*Mr. Midgette.* Mr. Midgette s employment agreement was amended in March 2008, in connection with the Porex divestiture process, to provide enhanced severance benefits and acceleration of equity upon a change in control of Porex. His employment agreement, as amended, provides that if, within 15 months following a change in control of Porex, he is terminated without cause or required to take a salary reduction or to relocate beyond a specified distance, he would be entitled to continuation of his base salary, as severance, for a period of two years (rather than the one year of severance payable if the termination did not follow a change in control of Porex) and payment of his COBRA premiums for up to 18 months. With respect to the options to purchase HLTH Common Stock and HLTH Restricted Stock granted to him on December 10, 2008, if there is a change in control of Porex prior to the first vesting date (December 10, 2009), he would receive the first vesting of such grants, accelerated to the closing date of the change in control transaction. The Compensation Committee also approved an aggregate of $100,000 in potential retention bonuses, which would generally be payable to Mr. Midgette if he remains employed for 60 days following a sale of Porex and/or Porex Surgical (or if he is terminated without cause or resigns for good reason on or after the closing date but before such 60th day). The Compensation Committee believed that the terms and conditions described above are appropriate incentives for Mr. Midgette to remain with Porex during the divestiture process and to assist HLTH in that process. For additional information, see Employment Agreements with Named Executive Officers William Midgette below.

*Mr. Lehrer.* Mr. Lehrer s employment agreement was amended in March 2008, in connection with the ViPS divestiture process, to provide enhanced severance benefits and acceleration of equity upon a change in control of ViPS. Mr. Lehrer left HLTH in July 2008 in connection with the consummation of the ViPS Sale. As contemplated by the March 2008 amendment, Mr. Lehrer s post-termination compensation included: (a) a retention bonus of $100,000 payable 60 days after closing of the ViPS Sale; (b) a success bonus of $150,000, the amount of which was determined by the Compensation Committee, in its discretion, following the completion of the ViPS Sale, based on its evaluation that Mr. Lehrer made significant efforts in connection with the divestiture process and the successful completion of that process; (c) accelerated vesting, on the closing date of the ViPS Sale, of 13,334 shares of HLTH Restricted Stock that were scheduled to vest between the closing date and June 6, 2009 (with an aggregate value of $152,140 on the closing date); and (d) accelerated vesting, on the closing date of the ViPS Sale, of options to purchase 78,750 shares of HLTH Common Stock that were scheduled to vest between the closing date and June 6, 2009 (with an aggregated realized value on the date of exercise of $156,250). The Compensation Committee believed that the terms and conditions described above were appropriate incentives for Mr. Lehrer to remain with ViPS during the divestiture process and to assist HLTH in that process.

*Deductibility of Compensation.* Section 162(m) of the Internal Revenue Code generally limits the ability of a publicly held corporation to deduct compensation in excess of $1 million per year paid to certain executive officers. It is the policy of the Compensation Committee to structure, where practicable, compensation paid to its executive officers so that it will be deductible under Section 162(m) of the Code. Accordingly, HLTH s equity plans under which awards are made to officers and directors are generally designed to ensure that compensation attributable to stock options granted will be tax deductible by HLTH. However, cash bonuses for HLTH s executive officers and grants of restricted stock do not qualify as performance-based within the meaning of Section 162(m) and, therefore, are subject to its limits on deductibility. In determining that the compensation of HLTH s executive officers for 2008 was appropriate under the circumstances and in the best interests of HLTH and its stockholders, the Compensation Committee considered the amount of net operating loss carryforwards available to HLTH to offset income for Federal income tax purposes. See Note 18 to the Consolidated Financial Statements included in this Annual Report.

**Executive Compensation Tables**

This section provides information, in tabular formats specified in applicable SEC rules, regarding the amounts of compensation paid to our Named Executive Officers and related information. The tables included are:

Summary Compensation Table, which presents information regarding our Named Executive Officer s total compensation and the types and value of its components; and

three tables providing additional information regarding our equity compensation, entitled: Grants of Plan-Based Awards in 2008; Outstanding Equity Awards at End of 2008; and Option Exercises and Stock Vested in 2008.

As permitted by the SEC rules relating to these tables, our tables reflect only the types of compensation that HLTH and WHC paid to our Named Executive Officers. For example, since our only retirement plan is a 401(k) plan, we do not include tables applicable to other types of retirement plans. For a general description of the types of compensation paid by WHC and HLTH, see Compensation Discussion and Analysis Overview of Types of Compensation.

**Summary Compensation Table**

***Table.*** The following table presents information regarding the amount of the total compensation of our Named Executive Officers for services rendered during the years covered, as well as the amount of the specific components of that compensation. The compensation reported in the table reflects all compensation to the Named Executive Officers by HLTH and its subsidiaries (including WHC and its subsidiaries). Amounts reflecting equity grants by HLTH are noted with an H and amounts reflecting equity grants by WHC are noted with a W.

| (a) Name and Principal Position | (b) Year | (c) Salary ($) | (d) Bonus ($)(1) | (e) Stock Awards ($)(2) | (f) Option Awards ($)(2) | (g) All Other Compensation ($) | (h) Total ($) |
|---|---|---|---|---|---|---|---|
| Kevin M. Cameron Chief Executive Officer (on medical leave)(3)(4) | 2008 | 101,538 | 250,000 | 1,354,078H | 1,834,261H<br>73,209W<br><br>1,907,470 | 235,888(5) | 3,848,974 |
| | 2007 | 660,000 | 520,000 | 1,478,740H | 2,227,811H<br>133,941W<br><br>2,361,752 | 17,627(5) | 5,038,119 |
| | 2006 | 660,000 | 3,530,000 | 714,830H | 1,682,494H<br>239,122W<br><br>1,921,616 | 17,552(5) | 6,843,998 |
| Martin J. Wygod Chairman of the Board and Acting Chief Executive Officer(3) | 2008 | 975,000 | 1,500,000 | 1,669,304H<br>138,791W<br><br>1,808,095 | 1,843,880H<br>326,598W<br><br>2,170,478 | 10,847(6) | 6,464,420 |
| | 2007 | 975,000 | 520,000 | 1,623,018H<br>229,931W<br><br>1,852,949 | 1,813,757H<br>538,230W<br><br>2,351,987 | 10,847(6) | 5,710,783 |
| | 2006 | 975,000 | 3,530,000 | 629,691H<br>439,809W<br><br>1,069,500 | 709,598H<br>960,853W<br><br>1,670,451 | 10,847(6) | 7,255,798 |
| Mark D. Funston Executive VP and Chief Financial Officer | 2008 | 375,000 | 130,000 | 176,625H | 190,360H | 7,930(7) | 888,018 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | 8,103W | | |
| | | | | | 198,463 | | |
| | 2007 | 375,000 | 100,000 | 173,881H | 182,503H | 169,948(7) | 1,001,332 |
| | 2006(8) | 46,875 | 35,000 | 22,867H | 24,000H | 526(7) | 129,268 |
| Wayne T. Gattinella Chief Executive Officer and President of WebMD | 2008 | 560,000 | 135,000(9) | 138,791W | 326,598W | 9,758(10) | 1,170,147 |
| | 2007 | 560,000 | 135,000(9) | 7,457H<br>229,931W | 84,850H<br>538,230W | 9,214(10) | 1,564,682 |
| | | | | 237,388 | 623,080 | | |
| | 2006 | 560,000 | 340,000 | 46,977H<br>439,809W | 229,800H<br>960,853W | 8,313(10) | 2,585,752 |
| | | | | 486,786 | 1,190,653 | | |
| Arthur Lehrer Formerly CEO of ViPS | 2008 | 173,077(11) | 250,000(11) | 200,115H | 287,862H | 7,587(12) | 918,641 |

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| (a) Name and Principal Position | (b) Year | (c) Salary ($) | (d) Bonus ($)(1) | (e) Stock Awards ($)(2) | (f) Option Awards ($)(2) | (g) All Other Compensation ($) | (h) Total ($) |
|---|---|---|---|---|---|---|---|
| Charles A. Mele Executive VP, General Counsel and Secretary | 2008 | 450,000 | 350,000 | 401,951H | 452,183H<br>58,568W<br>510,751 | 16,663(13) | 1,729,365 |
| | 2007 | 450,000 | 233,000 | 402,430H | 523,569H<br>107,153W<br>630,722 | 16,663(13) | 1,732,815 |
| | 2006 | 450,000 | 1,350,000 | 121,643H | 312,736H<br>191,297W<br>504,033 | 16,663(13) | 2,442,339 |
| William Midgette CEO of Porex | 2008 | 280,000 | 91,000 | 1,814H | 4,087H | 25,333(14) | 402,234 |

(1) The amounts reported in Column (d) above for Messrs. Cameron, Mele and Wygod in 2006 reflect both regular annual bonuses for that year, as well as special bonuses that were made in recognition of the contributions of those Named Executive Officers to the completion of the EPS Sale and the 2006 EBS Sale and the related repositioning of our company. The amounts of the special bonuses, which were determined by the Compensation Committee of the HLTH Board in its discretion, were as follows: Mr. Cameron $2,750,000; Mr. Mele $1,000,000; and Mr. Wygod $2,750,000.

(2) The amounts reported in Columns (e) and (f) above reflect the aggregate dollar amounts recognized by HLTH for stock awards and option awards for income statement reporting purposes under SFAS No. 123R (disregarding any estimate of forfeitures related to service-based vesting conditions). See Note 15 (Stock-Based Compensation) to the Consolidated Financial Statements included in this Annual Report for an explanation of the methodology and assumptions used in determining the fair value of stock and stock option awards granted. The amounts reported in Columns (e) and (f) reflect our accounting expense for these equity awards, not amounts realized by our Named Executive Officers. The actual amounts, if any, ultimately realized by our Named Executive Officers from equity compensation will depend on the price of our Common Stock (or the price of WHC Class A Common Stock in the case of WHC equity awards) at the time they exercise vested stock options or at the time of vesting of restricted stock. Holders of shares of HLTH Restricted Stock and WHC Restricted Stock have voting power and the right to receive dividends, if any, that are declared on those shares, but their ability to sell those shares is subject to vesting requirements based on continued employment.

(3)

In February 2008, Mr. Cameron went on medical leave and Mr. Wygod began serving as HLTH s Acting Chief Executive Officer, while also continuing as Chairman of the Board.

(4) Mr. Cameron s salary and bonus for 2008 reflect compensation for service prior to the medical leave that began in February 2008. Mr. Cameron has continued to serve as a member of the Board of Directors of HLTH and, in his capacity as a director, received a grant of options to purchase HLTH Common Stock in December 2008. See Grant of Plan Based Awards Table below for additional information, including the grant date fair value of these option awards under SFAS 123R.

(5) For 2008, consists of: (a) $3,450 in company matching contributions under the HLTH 401(k) Plan; (b) $285 for company-paid supplemental disability insurance; (c) $360 for company-paid group term life insurance; (d) an automobile allowance of $8,308; (e) a $100 gift card (an incentive for employees who completed a WebMD Health Manager online questionnaire); and (f) $223,385 paid to him under HLTH s short-term disability plan. For 2007, consists of: (a) $3,375 in company matching contributions under the HLTH 401(k) Plan; (b) $1,712 for company-paid supplemental disability insurance; (c) $540 for company-paid group term life insurance; and (d) an automobile allowance of $12,000. For 2006 consists of: (a) $3,300 in company matching contributions under the HLTH 401(k) Plan; (b) $1,712 for company-paid supplemental disability insurance; (c) $540 for company-paid group term life insurance; and (d) an automobile allowance of $12,000.

(6) For each of 2008, 2007 and 2006, consists of: (a) $3,989 for company-paid supplemental disability insurance; and (b) $6,858 for company-paid group term life insurance.

(7) For 2008, consists of: (a) $3,450 in company matching contributions under the HLTH 401(k) Plan; (b) $3,570 for company-paid supplemental disability insurance; (c) a $100 gift card (an incentive for employees who completed a WebMD Health Manager online questionnaire); and (d) $810 for company-paid group term life insurance. For 2007, consists of: (a) $3,338 in company matching contributions under the HLTH 401(k) Plan; (b) $3,570 for company-paid supplemental disability insurance; (c) $810 for company-paid group term life insurance; and (d) $88,545 for reimbursement of relocation costs plus $73,685 for reimbursement of amounts required to pay income taxes resulting from the payment for such relocation costs. For 2006, consists of: (a) $433 in company matching contributions under the HLTH 401(k) Plan; and (b) $93 for company-paid group term life insurance.

(8) The information for 2006 reflects compensation beginning in mid-November 2006, when Mr. Funston joined our company.

(9) See Background Information Regarding the Summary Compensation Table WHC Supplemental Bonus Plan (SBP) below for a description of contributions made to a Supplemental Bonus Trust on behalf of Mr. Gattinella for each of 2007 and 2008, but not reflected in this table since such contributions are subject to forfeiture during the periods covered by this table.

(10) For 2008, consists of: (a) $3,450 in company matching contributions under the HLTH 401(k) Plan; (b) $3,986 for company-paid supplemental disability insurance; and (c) $2,322 for company-paid group term life insurance. For 2007, consists of: (a) $2,906 in company matching contributions under the HLTH 401(k) Plan; (b) $3,986 for company-paid supplemental disability insurance; and (c) $2,322 for company-paid group term life insurance. For 2006, consists of: (a) $3,085 in company matching contributions under the HLTH 401(k) Plan; (b) $3,986 for company-paid supplemental disability insurance; and (c) $1,242 for company-paid group term life insurance.

(11) Mr. Lehrer left HLTH in July 2008 in connection with the consummation of the ViPS Sale. Mr. Lehrer s salary and bonus for 2008 reflect compensation for service prior to his leaving our company. The amount reported for bonus in Column (d) consisted of (a) a retention bonus of $100,000, approved by the Compensation Committee near the beginning of the sale process relating to ViPS and payable 60 days after closing of a sale transaction; and (b) a success bonus of $150,000, determined at the discretion of the Compensation Committee following the completion of the ViPS Sale. For additional information, see Employment Agreements with Named Executive Officers Arthur Lehrer below.

(12) Consists of: (a) $5,227 in company matching contributions under the ViPS 401(k) Plan; (b) $972 for company-paid supplemental disability insurance; (c) a $100 gift card (an incentive for employees who completed a WebMD Health Manager online questionnaire); and (d) $1,288 for company-paid group term life insurance.

(13) For each of 2008, 2007 and 2006, consists of: (a) $3,421 for company-paid supplemental disability insurance; (b) $1,242 for company-paid group term life insurance; and (c) an automobile allowance of $12,000.

(14) Consists of: (a) $5,161 in company matching contributions under the Porex 401(k) Plan; (b) $2,536 for company-paid group term life insurance; (c) an automobile allowance of $14,400; and (d) $3,236 for country club dues.

***Background Information Regarding the Summary Compensation Table***

*General.* The Summary Compensation Table above quantifies the amount or value of the different forms of compensation earned by or awarded to our Named Executive Officers and provides a dollar amount for total compensation for each year covered. All amounts reported in the Summary Compensation Table for Mr. Gattinella reflect compensation from WHC, except for amounts reflecting grants of HLTH Restricted Stock and options to purchase HLTH Common Stock which he received prior to WHC s initial public offering and which continue to vest in accordance with their terms. The amounts reported in the Summary Compensation Table for our other Named Executive Officer reflect compensation from HLTH, except for amounts reflecting grants of WHC Restricted Stock and options to purchase WHC Class A Common Stock.

*Employment Agreements.* Descriptions of the material terms of each Named Executive Officer s employment agreement and related information is provided under Employment Agreements with Named Executive Officers below. The agreements provide the general framework and some of the specific terms for the compensation of the Named Executive Officers. Approval of the Compensation Committee is required prior to HLTH entering into employment agreements with its executive officers or amendments to those agreements. However, many of the decisions relating to compensation for a specific year made by the Compensation Committee (or, in the case of Mr. Gattinella, by the WHC Compensation Committee) are implemented without changes to the general terms of employment set forth in those agreements. For a discussion of the salary, bonus and equity compensation of our Named Executive Officers for 2008 and the decisions made by the Compensation Committee relating to 2008 compensation, see Compensation Discussion and Analysis above. In addition, the Named Executive Officers received the other benefits listed in Column (g) of the Summary Compensation Table and described in the related footnotes to the table.

*WHC Supplemental Bonus Plan (SBP).* As more fully described in Compensation Discussion and Analysis Use of Specific Types of Compensation in 2008 Supplemental Bonus Program (SBP) above, the WHC Compensation Committee approved the contribution, in March 2008, to the Supplemental Bonus Trust of SBP Awards for certain WHC officers and employees, including a $135,000 contribution for Mr. Gattinella. In March 2009, the Supplemental Bonus Trust distributed the March 2008 SBP Awards, together with actual net interest earned on the respective amounts, to SBP participants and, at that time, Mr. Gattinella received $136,869. In order to receive the applicable payment from the Supplemental Bonus Trust, the SBP participant was required to be employed by WHC on March 1, 2009 (subject to limited exceptions for death, disability, or certain terminations of employment in connection with a sale of a subsidiary, the closing of a business location or certain other position eliminations). Accordingly, the amount received from the Supplemental Bonus Trust by Mr. Gattinella in March 2009 is not reflected in the 2008 Summary Compensation Table, but would be reflected in next year s Summary Compensation Table if he is a Named Executive Officer for 2009. In February 2009, the WHC Compensation Committee approved the contribution, in March 2009, to the Supplemental Bonus Trust of SBP Awards, including a $135,000 contribution for Mr. Gattinella. The Supplemental Bonus Trust will distribute the March 2009 SBP Awards, together with actual net interest earned on the respective amounts, to SBP participants as promptly as practicable following March 1, 2010 (but in no event later than 21/2 months following such date); provided, however, that in order to receive such payment, each SBP participant must continue to be employed by WHC on March 1, 2010 (subject to the limited exceptions described above). Except for Mr. Gattinella, no Named Executive Officer of HLTH has been an SBP participant.

**Grants of Plan-Based Awards in 2008**

***Table.*** The following table presents information regarding the equity incentive awards granted by HLTH and by WHC to our Named Executive Officers during 2008. Awards of HLTH equity are indicated with (H) in columns (d) and (e) and awards of WHC equity are indicated with (W) in those columns. The material terms of each grant are described under Additional Information Regarding HLTH Awards and Additional Information Regarding WHC Awards below.

| (a) Name | (b) Approval Date | (c) Grant Date | (d) All Stock Awards: Number of Shares of Stock (#) | (e) All Option Awards: Number of Securities Underlying Options (#) | (f) Exercise or Base Price of Option Awards ($/Sh) | (g) Grant Date Fair Value of Stock and Option Awards ($) |
|---|---|---|---|---|---|---|
| Kevin M. Cameron | 12/10/08 | 12/10/08 | | 40,000(H) | 9.46 | 113,744 |
| Martin J. Wygod | 12/01/08 | 12/01/08 | 240,000(H) | 480,000(H) | 8.49 | 3,262,560 |
| | 12/10/08 | 12/10/08 | 60,000(W) | 240,000(W) | 23.61 | 3,842,784 |
| Mark D. Funston | 12/10/08 | 12/10/08 | 12,500(H) | 180,000(H) | 9.46 | 630,098 |
| | 12/10/08 | 12/10/08 | | 60,000(W) | 23.61 | 606,546 |
| Wayne T. Gattinella | 12/10/08 | 12/10/08 | 60,000(W) | 240,000(W) | 23.61 | 3,842,784 |
| Arthur Lehrer | | | | | | |
| Charles A. Mele | 12/10/08 | 12/10/08 | 32,500(H) | 300,000(H) | 9.46 | 1,160,530 |
| William Midgette | 12/10/08 | 12/10/08 | 10,000(H) | 100,000(H) | 9.46 | 378,960 |

***Additional Information Regarding HLTH Awards.*** Each option to purchase HLTH Common Stock granted to our Named Executive Officers during 2008 was granted pursuant to the 2000 Plan. All such grants were made with a per-share exercise price equal to the fair market value of a share of HLTH Common Stock on the grant date. For these purposes, and in accordance with the terms of the 2000 Plan and HLTH s option grant practices, the fair market value is equal to the closing price of a share of Common Stock of HLTH on the Nasdaq Global Select Market on the grant date. Each such stock option granted to our Named Executive Officers in 2008 is subject to a four (4) year vesting schedule (with 25% vesting on each of the first four anniversaries of the grant date), other than the grant made on December 10, 2008 to Mr. Cameron, which has the same vesting schedule that applied to the grants made on that date to HLTH s outside directors: 25% of the grant on the first anniversary of the date of grant and 1/48 of the grant on a monthly basis over the next three years (full vesting on the fourth anniversary of the date of grant). Once vested, each such stock option will generally remain exercisable until its normal expiration date. Each such stock option granted to our Named Executive Officers in 2008 has a term of 10 years. For information regarding the effect on the vesting and exercisability of these stock options of the death, disability or termination of employment of a Named Executive Officer or a change of control of HLTH or WHC, see Potential Payments and Other Benefits Upon Termination of Employment or a Change in Control and Employment Agreements with Named Executive Officers below. If a Named Executive Officer s employment is terminated for cause, outstanding stock options (whether vested or unvested) would immediately terminate.

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Each award of HLTH Restricted Stock to our Named Executive Officers in 2008 represents an award of HLTH Common Stock that is subject to certain restrictions, including restrictions on transferability, and was made under, and is subject to the terms of, the 2000 Plan. The restrictions lapse in accordance with the terms of the award agreement. Holders of shares of HLTH Restricted Stock have voting power and the right to receive dividends, if any, that are declared on those shares. All the grants of HLTH Restricted Stock made in 2008 to the Named Executive Officers are subject to a 3 year vesting schedule, with one-third vesting on each of the first three anniversaries of the date of grant, other than the grant made to Mr. Wygod on December 1, 2008, which is subject to a 4 year vesting schedule, with one-quarter vesting on each of the first four anniversaries of the date of grant. For information regarding the effect on vesting of HLTH Restricted Stock of the death, disability or termination of employment of a Named Executive Officer or a change of control of HLTH, see Potential Payments and Other Benefits Upon Termination of Employment or a Change in Control below. If a Named Executive Officer s employment is terminated for cause, unvested shares of HLTH Restricted Stock are forfeited.

The 2000 Plan is administered by the Compensation Committee of the HLTH Board. The HLTH Compensation Committee has authority to interpret the plan provisions and make all required determinations under the 2000 Plan. This authority includes making required proportionate adjustments to outstanding awards upon the occurrence of certain corporate events such as reorganizations, mergers and stock splits, and making provision to ensure that any tax withholding obligations incurred in respect of awards are satisfied. Awards granted under the 2000 Plan are generally transferable only to a beneficiary of a Plan participant upon his or her death or to certain family members or family trusts. However, the Committee may establish procedures for the transfer of awards to other persons or entities, provided that such transfers comply with applicable laws.

For information regarding shares available for grant under HLTH s equity compensation plans, as of the end of 2008, see Equity Compensation Plan Information in Item 12 below.

***Additional Information Regarding WHC Awards.*** Each option to purchase WHC Class A Common Stock granted to our Named Executive Officers was granted pursuant to the WHC 2005 Plan and was part of a broad-based grant to most of WHC s employees made on December 10, 2008, following an increase in the number of shares available for grant under the WHC 2005 Plan approved at the WHC 2008 Annual Meeting of Stockholders. All such grants were made with a per-share exercise price equal to the fair market value of a share of WHC Class A Common Stock on the grant date. For these purposes, and in accordance with the terms of the WHC 2005 Plan and WHC s option grant practices, the fair market value is equal to the closing price of a share of WHC Class A Common Stock on the Nasdaq Global Select Market on the grant date. The vesting schedule for each of the stock options in the December 2008 grant to employees is as follows: 25% on March 31 of each of 2010 through 2013. This vesting schedule, which differs from the standard vesting scheduled used by WHC (25% on the first four anniversaries of grant), was designed so that the initial vesting would be six months after the last vesting of the grants made in connection with WHC s initial public offering. Once vested, each such stock option will generally remain exercisable until its normal expiration date. Each such stock option has a term of 10 years. For information regarding the effect on the vesting and exercisability of these stock options of the death, disability or termination of employment of a Named Executive Officer or a change in control of WHC or HLTH, see Potential Payments and Other Benefits Upon Termination of Employment or a Change in Control and Employment Agreements with Named Executive Officers below. If a Named Executive Officer s employment is terminated for cause, outstanding stock options (whether vested or unvested) would immediately terminate.

Each award of WHC Restricted Stock to our Named Executive Officers in 2008 represents an award of WHC Class A Common Stock that is subject to certain restrictions, including restrictions on transferability, and was made under, and is subject to the terms of, the WHC 2005 Plan. The restrictions lapse in accordance with the terms of the award agreement. Holders of shares of WHC Restricted Stock have voting power and the right to receive dividends, if any, that are declared on those shares. The vesting schedule for these grants of WHC Restricted Stock is 25% on March 31 of each of 2010 through 2013, the same as for the options granted by WHC on the date (the reason for which is discussed above). For information regarding the effect on vesting of WHC Restricted Stock of the death, disability or termination of employment of a Named Executive Officer or a change of control of WHC or HLTH, see Potential Payments and Other Benefits Upon Termination of

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Employment or a Change in Control below. If a Named Executive Officer s employment is terminated for cause, unvested shares of WHC Restricted Stock are forfeited.

The WHC 2005 Plan is administered by the Compensation Committee of the WHC Board. The WHC Compensation Committee has authority to interpret the plan provisions and make all required determinations under the WHC 2005 Plan. This authority includes making required proportionate adjustments to outstanding awards upon the occurrence of certain corporate events such as reorganizations, mergers and stock splits, and making provision to ensure that any tax withholding obligations incurred in respect of awards are satisfied. Awards granted under the WHC 2005 Plan are generally transferable only to a beneficiary of a Plan participant upon his or her death or to certain family members or family trusts. However, the WHC Compensation Committee may establish procedures for the transfer of awards to other persons or entities, provided that such transfers comply with applicable laws.

**Outstanding Equity Awards at End of 2008**

The following table presents information regarding the outstanding equity awards held by each Named Executive Officer as of December 31, 2008, including the vesting dates for the portions of these awards that had not vested as of that date. Awards of HLTH equity are indicated with (H) at the beginning of column (b) in the table and awards of WHC equity are indicated with (W) at the beginning of that column.

| ) | (b) | | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Option Awards(1) | | | | Stock Awards(2) | | |
| ame | | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price ($) | Option Grant Date | Option Expiration Date | Number of Shares of Stock That Have Not Vested (#) | Stock Award Grant Date | Market Value of Shares of Stock Tha Have Not Vested ($)(3) |
| evin M. ameron | (H) | | 40,000(8) | 9.46 | 12/10/08 | 12/10/18 | | | |
| | (H) | 540,000 | 360,000(4) | 11.86 | 10/23/06 | 10/23/16 | 120,000(4) | 10/23/06 | 1,255,200 |
| | (W) | 6,750 | 13,750(6) | 17.50 | 9/28/05 | 9/28/15 | | | |
| | (H) | 1,155,000 | 345,000(5) | 6.99 | 10/01/04 | 10/01/14 | 63,250(5) | 10/01/04 | 661,595 |
| | (H) | 200,000 | | 8.59 | 3/17/04 | 3/17/14 | | | |
| | (H) | 87,168 | | 3.43 | 9/20/01 | 9/20/11 | | | |
| | (H) | 200,000 | | 12.75 | 8/21/00 | 8/21/10 | | | |
| | (H) | 125,000 | | 11.55 | 6/05/00 | 6/05/10 | | | |
| | (H) | 325,000 | | 17.55 | 4/04/00 | 4/04/10 | | | |
| | (H) | 625,000 | | 12.21 | 4/04/00 | 4/04/10 | | | |
| artin J. ygod | (W) | | 240,000(9) | 23.61 | 12/10/08 | 12/10/18 | 60,000(9) | 12/10/08 | 1,415,400 |
| | (H) | | 480,000(6) | 8.49 | 12/01/08 | 12/01/18 | 240,000(6) | 12/01/08 | 2,510,400 |
| | (H) | 540,000 | 360,000(4) | 11.86 | 10/23/06 | 10/23/16 | 120,000(4) | 10/23/06 | 1,255,200 |
| | (H) | 175,000 | 300,000(6) | 8.77 | 1/27/06 | 1/27/16 | 50,000(7) | 1/27/06 | 523,000 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | (W) | 165,000 | 55,000(6) | 17.50 | 9/28/05 | 9/28/15 | 13,750(6) | 9/28/05 | 324,363 |
| | (H) | 3,000,000 | | 12.75 | 8/21/00 | 8/21/10 | | | |
| | (H) | 585,000 | | 13.85 | 6/15/99 | 6/15/09 | | | |
| | (H) | 25,000 | | 22.90 | 7/01/98 | 7/01/13 | | | |
| | (H) | 25,000 | | 15.50 | 7/01/97 | 7/01/12 | | | |
| | (H) | 25,000 | | 14.80 | 7/01/96 | 7/01/11 | | | |
| | (H) | 25,000 | | 10.00 | 7/03/95 | 7/03/10 | | | |
| ark D. unston | (H) | | 180,000(6) | 9.46 | 12/10/08 | 12/10/18 | 12,500(7) | 12/10/08 | 130,750 |
| | (W) | | 60,000(9) | 23.61 | 12/10/08 | 12/10/18 | | | |
| | (H) | 90,000 | 90,000(6) | 11.60 | 11/13/06 | 11/13/16 | 30,000(6) | 11/13/06 | 313,800 |
| ayne T. attinella | (W) | | 240,000(9) | 23.61 | 12/10/08 | 12/10/18 | 60,000(9) | 12/10/08 | 1,415,400 |
| | (W) | 165,000 | 55,000(6) | 17.50 | 9/28/05 | 9/28/15 | 13,750(6) | 9/28/05 | 324,363 |
| | (H) | 250,000 | | 8.59 | 3/17/04 | 3/17/14 | | | |
| | (H) | 204,881 | | 4.81 | 8/20/01 | 8/20/11 | | | |
| rthur Lehrer | | | | | | | | | |

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| (a) | | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Option Awards(1) | | | | Stock Awards(2) | | |
| Name | | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price ($) | Option Grant Date | Option Expiration Date | Number of Shares of Stock That Have Not Vested (#) | Stock Award Grant Date | Market Value of Shares of Stock That Have Not Vested ($)(3) |
| Charles A. Mele | (H) | | 300,000(6) | 9.46 | 12/10/08 | 12/10/18 | 32,500(7) | 12/10/08 | 339,950 |
| | (H) | 180,000 | 120,000(4) | 11.86 | 10/23/06 | 10/23/16 | 40,000(4) | 10/23/06 | 418,400 |
| | (W) | 33,000 | 11,000(6) | 17.50 | 9/28/05 | 9/28/15 | | | |
| | (H) | 250,000 | | 8.59 | 3/17/04 | 3/17/14 | | | |
| | (H) | 110,000 | | 3.43 | 9/20/01 | 9/20/11 | | | |
| | (H) | 200,000 | | 12.75 | 8/21/00 | 8/21/10 | | | |
| | (H) | 625,000 | | 11.55 | 6/05/00 | 6/05/10 | | | |
| | (H) | 97,500 | | 34.23 | 10/04/99 | 10/04/09 | | | |
| | (H) | 187,500 | | 18.20 | 10/04/99 | 10/04/09 | | | |
| | (H) | 208,000 | | 13.85 | 6/15/99 | 6/15/09 | | | |
| William Midgette | (H) | | 100,000(6) | 9.46 | 12/10/08 | 12/10/18 | 10,000(7) | 12/10/08 | 104,600 |
| | (H) | 250,000 | | 8.59 | 3/17/04 | 3/17/14 | | | |
| | (H) | 60,000 | | 5.92 | 8/19/02 | 8/19/12 | | | |

(1) Each stock option grant reported in the table above was granted under, and is subject to, our 2000 Plan, our 1996 Stock Plan, WHC s 2005 Plan or another plan or agreement that contains substantially the same terms. The option expiration date shown in Column (f) above is the normal expiration date, and the last date that the options may be exercised. For each Named Executive Officer, the unexercisable options shown in Column (c) above are also unvested. Unvested options are generally forfeited if the Named Executive Officer s employment terminates, except to the extent otherwise provided in an employment agreement. For information regarding the effect on vesting of options on the death, disability or termination of employment of a Named Executive Officer or a change in control of HLTH, see Potential Payments and Other Benefits Upon Termination of Employment or a Change in Control below. If a Named Executive Officer s employment is terminated by HLTH for cause, options (including the vested portion) are generally forfeited. The exercisable options shown in Column (b) above, and any unexercisable options shown in Column (c) above that subsequently become exercisable, will generally expire earlier than the normal expiration date if the Named Executive Officer s employment terminates, except as otherwise specifically provided in the Named Executive Officer s employment agreement. For a description of the material terms of the Named Executive Officer s employment agreements, see Employment Agreements with Named Executive Officers below.

(2) Unvested shares of restricted stock are generally forfeited if the Named Executive Officer s employment terminates, except to the extent otherwise provided in an employment agreement. The stock awards held by some of our Named Executive Officers are subject to accelerated or continued vesting in connection with a change in control of HLTH or WHC, as the case may be, and upon certain terminations of employment, as described below

in more detail under Employment Agreements with Named Executive Officers and Potential Payments and Other Benefits Upon Termination of Employment or a Change in Control. Except as otherwise indicated in those sections, unvested stock awards will generally be forfeited if a Named Executive Officer s employment terminates.

(3) The market or payout value of stock awards reported in Column (i) is computed by multiplying the number of shares of stock reported in Column (g) by (A) $10.46, the closing market price of HLTH Common Stock on December 31, 2008 (the last trading day of 2008), for HLTH Restricted Stock, or (B) $23.59, the closing market price of WHC Class A Common Stock on that date, for WHC Restricted Stock.

(4) Vesting schedule is: 27% of the original amount granted on first anniversary of the date of the grant, 33% on second anniversary and 40% on third anniversary.

(5) Vesting schedule is: 17% of the original amount granted on first anniversary of the date of the grant, 18.5% on second anniversary, 20% on third anniversary; 21.5% on fourth anniversary; and 23% on fifth anniversary.

(6) Vesting schedule is: 25% of the original amount granted on each of first, second, third and fourth anniversaries of the date of the grant.

(7) Vesting schedule is: 1/3 of the original amount granted on each of the first, second and third anniversaries of the date of grant.

(8) Vesting schedule is: 1/4 of the original amount granted on first anniversary of the grant and 1/48 of the original amount granted on a monthly basis over the next three years (full vesting on the fourth anniversary of the date of grant).

(9) Vesting schedule is: 25% of the original amount granted on March 31 of each of 2010, 2011, 2012 and 2013.

### Option Exercises and Stock Vested in 2008

The following table presents information regarding the exercise of options to purchase HLTH Common Stock and options to purchase WHC Class A Common Stock by our Named Executive Officers during 2008, and regarding the vesting during 2008 of HLTH Restricted Stock and WHC Restricted Stock previously granted to our Named Executive Officers. Amounts with respect to HLTH equity are noted with an H and amounts with respect to WHC equity are noted with a W.

| | **Option Awards** | | **Stock Awards** | |
|---|---|---|---|---|
| **Name (a)** | **Number of Shares Acquired on Exercise (#) (b)** | **Value Realized on Exercise ($)(1) (c)** | **Number of Shares Acquired on Vesting (#) (d)** | **Value Realized on Vesting ($)(2) (e)** |
| Kevin M. Cameron | 34,500W | 419,676W | 158,125H | 1,477,369H |
| Martin J. Wygod | | | 149,000H | 1,379,760H |
| | | | 13,750W | 450,313W |
| | | | | 1,830,073 |
| Mark D. Funston | | | 15,000H | 127,950H |
| Wayne T. Gattinella | 35,000H | 125,526H | 13,750W | 450,313W |
| Arthur Lehrer | 212,500H | 625,006H | 26,667H | 316,404H |
| Charles A. Mele | | | 33,000H | 271,920H |
| William Midgette | | | | |

(1) The dollar amounts shown in Column (c) above for option awards are determined by multiplying (i) the number of shares of HLTH Common Stock or WHC Class A Common Stock to which the exercise of the option related, by (ii) the difference between (1) the per-share closing price of HLTH Common Stock or WHC Class A Common Stock on the date of exercise (or, for any shares sold on the date of exercise, the actual sale price received) and (2) the exercise price of the options.

(2) The dollar amounts shown in Column (e) above for stock awards are determined by multiplying the number of shares that vested by the per-share closing price of HLTH Common Stock or WHC Class A Common Stock on the vesting date.

### Potential Payments and Other Benefits Upon Termination of Employment or a Change in Control

***Background and Assumptions.*** In this section, we provide tables containing estimates of amounts that may become payable to our Named Executive Officers under their employment agreements as a result of a termination of employment under specific circumstances, as well as estimates regarding the value of other benefits they may become entitled to receive as a result of such termination. No table is provided for Mr. Lehrer, who is no longer an executive officer of HLTH. Instead, we have included a description of the compensation that he actually received after he left HLTH in connection with the ViPS Sale. For a general discussion of matters relating to compensation that may become payable by HLTH after termination of employment or a change in control, see Compensation Discussion and Analysis Compensation Following Termination of Employment or a Change in Control above and for a detailed description of the applicable provisions of the employment agreements of our Named Executive Officers, see Employment Agreements with Named Executive Officers below. As prescribed by applicable SEC rules, in estimating the amount of any potential payments to Named Executive Officers under their employment agreements and the value of other benefits they may become entitled to receive, we have assumed that the applicable triggering event (i.e., termination of employment or change in control) occurred on December 31, 2008, that the price per share of HLTH Common Stock is $10.46 (the closing price per share on December 31, 2008, the last trading day in 2008); and that the price per share of WHC Class A Common Stock is $23.59 (the closing price per share on December 31, 2008). We have also treated the right to continue to vest in options as being accelerated to December 31, 2008 for purposes of this disclosure only.

If the benefits payable to Mr. Cameron, Mr. Mele, or Mr. Wygod in connection with a change in control would be subject to the excise tax imposed under Section 280G of the Internal Revenue Code of 1986 ( Section 280G ), HLTH has agreed to make an additional payment to the executive so that the net amount of such payment (after taxes) that such individual receives is sufficient to pay the excise tax due. In the tables below, we have calculated the Section 280G excise tax on the basis of IRS regulations and Rev. Proc. 2003-68 and have assumed that the Named Executive Officer s outstanding equity awards would be accelerated and terminated in exchange for a cash payment upon the change in control. The value of this acceleration (and thus the amount of the additional payment) would be slightly higher if the accelerated awards were assumed by the acquiring company rather than terminated upon the transaction. For purposes other than calculating the Section 280G excise tax, we have calculated the value of any option or stock award that may be accelerated in connection with a change in control to be the amount the holder can realize from such award as of December 31, 2008: for options, that is the market price of the shares that would be received upon exercise, less the applicable exercise price; and for restricted stock, that is the market value of the shares that would vest. We have also assumed that they have no accrued and unused vacation at December 31, 2008.

Mr. Lehrer left HLTH in July 2008 in connection with the consummation of the ViPS Sale. Mr. Lehrer s employment agreement with ViPS had been amended in March 2008, in connection with the ViPS divestiture process, to provide enhanced severance benefits and acceleration of equity upon a change in control of ViPS. As contemplated by the March 2008 amendment, Mr. Lehrer received the following in connection with his departure from HLTH: (i) a retention bonus of $100,000, payable 60 days after the closing of the ViPS Sale; (ii) a success bonus of $150,000 (the amount of which was determined by the HLTH Compensation Committee, in its discretion, following the closing of the ViPS Sale); (iii) accelerated vesting, on the closing date of the ViPS Sale, of 13,334 shares of HLTH Restricted Stock that were scheduled to vest between the closing date and June 6, 2009 (with an aggregate value of $152,140 on the closing date); and (d) accelerated vesting, on the closing date of the ViPS Sale, of options to purchase 78,750 shares of HLTH Common Stock that were scheduled to vest between the closing date and June 6, 2009 (with an aggregated realized value on the date Roman, Times, Serif; text-indent: 0">

WITHHOLD AUTHORITY FOR ALL NOMINEES

FOR ALL EXCEPT

David Lucatz

Chezy (Yehezkel) Ofir

Jeffrey P. Bialos

Miki Balin

2.

Proposal No. 2 – To ratify the selection of Ziv Haft, a BDO Member firm, as independent registered public accounting firm of the Company for the fiscal year ending December 31, 2018.

FOR

AGAINST

ABSTAIN

3.

Proposal No. 3 – To amend the Company’s 2014 Stock Incentive Plan to increase the number of shares of Common Stock available for issuance thereunder from 200,000 to 600,000.

FOR

AGAINST

ABSTAIN

4.

Proposal No. 4 – To amend and restate the Company’s 2012 Stock Incentive Plan to allow for the issuance of restricted stock, to extend its term and increase the number of shares of Common Stock available for issuance thereunder from 3,000,000 to 5,000,000.

FOR

AGAINST

ABSTAIN

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. MARK "X" HERE IF YOU PLAN TO ATTEND THE MEETING.

Signature of Stockholder Date: Signature of Stockholder Date:

**Note:** Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.