

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 May 05, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**LERER RENE**

2. Issuer Name and Ticker or Trading Symbol  
**MAGELLAN HEALTH SERVICES INC [MGLN]**

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
**55 NOD ROAD**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**05/04/2006**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**President & COO**

**AVON, CT 06001**  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Ordinary Common Stock, \$0.01 par value	05/04/2006		X <sup>(1)</sup>	41,031 A	\$ 11.91 55,702 <sup>(2)</sup>	D	
Ordinary Common Stock, \$0.01 par value	05/04/2006		S <sup>(1)</sup>	10,000 D	\$ 39 45,702	D	
Ordinary Common Stock	05/04/2006		S <sup>(1)</sup>	5,000 D	\$ 39.15 40,702	D	

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Stock,  
\$0.01 par  
value

Ordinary  
Common

Stock,	05/04/2006	<u>S</u> <sup>(1)</sup>	1,931	D	\$	39.195	38,771	D
\$0.01 par value								

Ordinary  
Common

Stock,	05/04/2006	<u>S</u> <sup>(1)</sup>	10,000	D	\$	39.252	28,771	D
\$0.01 par value								

Ordinary  
Common

Stock,	05/04/2006	<u>S</u> <sup>(1)</sup>	9,900	D	\$	39.3	18,871	D
\$0.01 par value								

Ordinary  
Common

Stock,	05/04/2006	<u>S</u> <sup>(1)</sup>	4,200	D	\$	39.4	14,671	D
\$0.01 par value								

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 11.91	05/04/2006		<u>X</u> <sup>(1)</sup>	41,031	01/05/2006	12/31/2006	Ordinary Common Stock	41,031

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LERER RENE 55 NOD ROAD AVON, CT 06001	X		President & COO	

## Signatures

/s/ Rene Lerer                      05/05/2006

\_\_Signature of                      Date  
Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This transaction was effectuated pursuant to a Rule 10b-5-1 plan and, accordingly, not on a discretionary basis by the reporting person.
- (2) Includes 14,671 shares of restricted stock owned prior to current transaction.
- (3) Not applicable.
- (4) The remainder of 124,170 options from this tranche will become exercisable on January 5, 2007 and until December 31, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.