

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 February 27, 2008

**FORM 4**

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

OMB APPROVAL

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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**

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

AVON, CT 06001

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
 02/25/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Ordinary Common Stock, \$0.01 par value	02/25/2008 <sup>(1)</sup>		M <sup>(2)</sup>		5,623	A	\$ 0 <sup>(3)</sup> 23,587
Ordinary Common Stock, \$0.01 par value	02/25/2008		F <sup>(4)</sup>		1,768	D	\$ 44.04 21,819

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)	8. Amount or Number of Shares
Restricted Stock Units	\$ 0 <sup>(3)</sup>	02/25/2008 <sup>(1)</sup>		M <sup>(2)</sup>	5,623	02/24/2008 <sup>(5)</sup>	Common Stock	5,623

## Reporting Owners

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

## Signatures

/s/ Rene Lerer                      02/27/2008  
 \*\*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) Restricted Stock Units vested on February 24, 2008 but were issued on February 25, 2008.
- (2) This transaction was effectuated by a one-third vesting of the Restricted Stock Unit Award granted under the 2006 Management Incentive Plan. Each Restricted Stock Unit represents a contingent right to receive one share of Magellan common stock.
- (3) No price was applicable to the acquisition of this security.
- (4) Represents the portion of shares which the Company determined to settle in cash to pay applicable tax withholding.
- (5) Not applicable

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(6) The remainder of 5,623 Restricted Stock Units shall vest on February 24, 2009.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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