

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 May 21, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
 GREGOIRE DANIEL N

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)  
 05/20/2008

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 General Counsel and Secretary

AVON, CT 06001

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

(City) (State) (Zip)

**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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Code V Amount (D) Price   |  |                                   |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
 (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 | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|                                 |                           |                                      |                                   |                     |                                    |  |   |

Edgar Filing: MAGELLAN HEALTH SERVICES INC - Form 4

| (Instr. 3)                  | Price of Derivative Security | (Month/Day/Year)          | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A)    | (D) | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares |
|-----------------------------|------------------------------|---------------------------|------------|--|------|---|--------|-----|------------------|-----------------|--------------|----------------------------|
| Stock Option (right to buy) | \$ 41.47                     | 05/20/2008 <sup>(1)</sup> |            |  | A    |   | 25,293 |     | <sup>(2)</sup>   | 03/05/2018      | Common Stock | 25,293                     |
| Restricted Stock Units      | <sup>(4)</sup>               | 05/20/2008                |            |  | A    |   | 2,728  |     | <sup>(5)</sup>   | <sup>(3)</sup>  | Common Stock | 2,728                      |

## Reporting Owners

| Reporting Owner Name / Address                     | Relationships |           |                               |       |
|--|---------------|-----------|-------------------------------|-------|
|  | Director      | 10% Owner | Officer                       | Other |
| GREGOIRE DANIEL N<br>55 NOD ROAD<br>AVON, CT 06001 |               |           | General Counsel and Secretary |       |

## Signatures

/s/ Daniel N  
Gregoire

05/20/2008

        Signature of  
Reporting Person

Date

## 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).

The options were approved on March 5, 2008, subject to shareholder approval of the 2008 Management Incentive Plan under which the

(1) options were granted. The shareholders of the Issuer approved the Plan on May 20, 2008. As per the Plan, the exercise price of the options was determined by using the closing price of the Issuer's Ordinary Common Stock on NASDAQ on March 5, 2008.

(2) Options vest and become exercisable in one-third increments on March 5, of each of 2009, 2010 and 2011.

(3) Not applicable.

The restricted stock unit award was approved on March 5, 2008, subject to shareholder approval of the 2008 Management Incentive Plan

(4) under which the restricted stock units were granted. The shareholders of the Issuer approved the Plan on May 20, 2008. Each restricted stock unit represents a contingent right to receive one share of Magellan common stock.

(5) Restricted Stock Units shall vest in one-third increments on March 5, of each of 2009, 2010 and 2011, subject to satisfaction of certain performance requirements.

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.