

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 July 07, 2011

**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 \*  
**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)  
**07/05/2011**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Chief Executive Officer**

**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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Ordinary Common Stock, \$0.01 par value	07/05/2011		X <sup>(1)</sup>		21,332	A	\$ 32.91
					82,974		
Ordinary Common Stock, \$0.01 par value	07/06/2011		X <sup>(1)</sup>		16,168	A	\$ 32.91
					99,142		
Ordinary Common Stock	07/05/2011		S <sup>(1)</sup>		21,332	D	\$ 54.762
					77,810		<sup>(2)</sup>

Stock,  
\$0.01 par  
value

Ordinary  
Common

Stock,	07/05/2011		<u>S</u> <sup>(1)</sup>	16,168	D	\$	55.1434	61,642	D
\$0.01 par value						<u>(3)</u>			

Ordinary  
Common

Stock,	07/05/2011		<u>S</u> <sup>(1)</sup>	2,551	D	\$	55.1434	59,091	D
\$0.01 par value						<u>(3)</u>			

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 (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
Stock Option (right to buy)	\$ 32.91	07/05/2011		<u>X</u> <sup>(1)</sup>	21,332	<u>(4)</u> 03/04/2019	Common Stock	21,332
Stock Option (right to buy)	\$ 32.91	07/06/2011		<u>X</u> <sup>(1)</sup>	16,168	<u>(5)</u> 03/04/2019	Common Stock	16,168

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director    10% Owner    Officer    Other

LERER RENE  
55 NOD ROAD  
AVON, CT 06001

X

Chief Executive Officer

## Signatures

/s/ Ren?? Lerer

07/07/2011

\*\*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).
- (1) This transaction was effectuated pursuant to a Rule 10b-5-1 Plan.
- (2) Price shown is the average sale price for this transaction. For a complete breakdown of the average sale price, please see Exhibit 99.1
- (3) Price shown is the average sale price for this transaction. For a complete breakdown of the average sale price, please see Exhibit 99.2.
- (4) 66,290 stock options are vested and remain exercisable. The balance of 81,311 options shall vest on March 4, 2012.
- (5) 50,122 stock options are vested and remain exercisable. The balance of 81,311 options shall vest on March 4, 2012.
- (6) Not applicable.

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.