

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 September 08, 2006

**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 \*  
 Reimer Eric

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)  
 09/06/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Chf Strategy & Dvlpmnt Officer

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)
			Code	V	Amount	(A) or (D)	Price
Ordinary Common Stock, \$0.01 par value	09/06/2006		X <sup>(1)</sup>		3,334	A	\$ 23.52
Ordinary Common Stock, \$0.01 par value	09/06/2006		X <sup>(1)</sup>		6,666	A	\$ 12.39
Ordinary Common	09/06/2006		S <sup>(1)</sup>		900	D	\$ 43
					20,986		

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Stock, \$0.01 par value							
Ordinary Common Stock, \$0.01 par value	09/06/2006	<u>S<sup>(1)</sup></u>	100	D	\$ 42.98	20,886	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	<u>S<sup>(1)</sup></u>	1,702	D	\$ 42.97	19,184	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	<u>S<sup>(1)</sup></u>	300	D	\$ 42.93	18,884	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	<u>S<sup>(1)</sup></u>	100	D	\$ 42.92	18,784	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	<u>S<sup>(1)</sup></u>	200	D	\$ 42.91	18,584	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	<u>S<sup>(1)</sup></u>	799	D	\$ 42.9	17,785	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	<u>S<sup>(1)</sup></u>	600	D	\$ 42.89	17,185	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	<u>S<sup>(1)</sup></u>	360	D	\$ 42.88	16,825	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	<u>S<sup>(1)</sup></u>	200	D	\$ 42.87	16,625	D

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Ordinary Common Stock, \$0.01 par value	09/06/2006	S <sup>(1)</sup>	140	D	\$ 42.86	16,485	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	S <sup>(1)</sup>	601	D	\$ 42.84	15,884	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	S <sup>(1)</sup>	199	D	\$ 42.81	15,685	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	S <sup>(1)</sup>	300	D	\$ 42.8	15,385	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	S <sup>(1)</sup>	300	D	\$ 42.77	15,085	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	S <sup>(1)</sup>	2,042	D	\$ 42.76	13,043	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	S <sup>(1)</sup>	500	D	\$ 42.74	12,543	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	S <sup>(1)</sup>	100	D	\$ 42.73	12,443	D
Ordinary Common Stock, \$0.01 par value	09/06/2006	S <sup>(1)</sup>	557	D	\$ 42.71	11,886	D

value

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.**

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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)	Amount or Number of Shares
Stock Option (right to buy)	\$ 23.52	09/06/2006		X <sup>(1)</sup>	3,334	01/05/2006 <sup>(3)</sup> 01/05/2014	Common Stock	3,334
Stock Option (right to buy)	\$ 12.39	09/06/2006		X <sup>(1)</sup>	6,666	01/05/2006 <sup>(5)</sup> 01/05/2014	Common Stock	6,666

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Reimer Eric 55 NOD ROAD AVON, CT 06001			Chf Strategy & Dvlpmnt Officer	

## Signatures

/s/ Eric Reimer                      09/07/2006  
 \*\*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 11,886 shares of stock owned prior to this transaction as well as 3,334 shares acquired as part of transaction reported above.
- (3) Remainder of 6,668 options in this tranche vest and become exercisable in one half increments on January 5 of 2007 and 2008.
- (4) No price was applicable to the acquisition of this security.
- (5) Of the remainder of 19,998 options in this tranche, one third vest on January 5, 2007 and two thirds vest on January 5, 2008.

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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