

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 January 16, 2007

**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**

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)  
**01/11/2007**

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

**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	01/11/2007		X <sup>(1)</sup>		30,681	A	\$ 11.91
					45,352 <sup>(2)</sup>	D	
Ordinary Common Stock, \$0.01 par value	01/11/2007		X <sup>(1)</sup>		34,319	A	\$ 10.43
					79,671	D	
Ordinary Common Stock	01/12/2007		X <sup>(1)</sup>		28,100	A	\$ 10.43
					107,771	D	

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Stock,  
\$0.01 par  
value

Ordinary  
Common

Stock,	01/11/2007		<u>S<sup>(1)</sup></u>	65,000	D	\$	42.1219	42,771	D
\$0.01 par value						<u>(3)</u>			

Ordinary  
Common

Stock,	01/12/2007		<u>S<sup>(1)</sup></u>	28,100	D	\$	41.9025	14,671	D
\$0.01 par value						<u>(4)</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.**

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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	01/11/2007		<u>X<sup>(1)</sup></u>	20,201	01/05/2007 12/31/2007	Ordinary Common Stock 20,201
Stock Option (right to buy)	\$ 11.91	01/11/2007		<u>X<sup>(1)</sup></u>	10,480	01/05/2007 12/31/2007	Ordinary Common Stock 10,480
Stock Option (right to buy)	\$ 10.43	01/11/2007		<u>X<sup>(1)</sup></u>	34,319	01/05/2007 12/31/2007	Ordinary Common Stock 34,319
Stock Option	\$ 10.43	01/12/2007		<u>X<sup>(1)</sup></u>	28,100	01/05/2007 12/31/2007	Ordinary Common 28,100

(right to  
buy)

Stock

## 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                      01/15/2007

\*\*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) These transactions were effectuated pursuant to a Rule 10b-5-1 plan and, accordingly, not on a discretionary basis by the reporting person.
- (2) Balance includes 14,671 shares of stock owned prior to reported transaction, of which 11,003 shares are unvested restricted stock.
- (3) Price reflected is the average sale price for shares sold. Please see attached Exhibit 99.1 for a complete list of all sales by sale price.
- (4) Price reflected is the average sale price for shares sold. Please see attached Exhibit 99.2 for a complete list of all sales by sale price.
- (5) No price was applicable to the acquisition of this security.
- (6) The balance of options in this tranche are vested and are exercisable 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.