

MAGELLAN HEALTH SERVICES INC
 Form 4
 January 18, 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)
01/16/2007

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

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	01/16/2007		X ⁽¹⁾		30,380	A	\$ 10.43
							45,051 ⁽²⁾
Ordinary Common Stock, \$0.01 par value	01/17/2007		X ⁽¹⁾		26,400	A	\$ 10.43
							71,451
Ordinary Common	01/16/2007		S ⁽¹⁾		1,500	D	\$ 42.55
							69,951

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Stock, \$0.01 par value							
Ordinary Common Stock, \$0.01 par value	01/16/2007	S ⁽¹⁾	900	D	\$ 42.4	69,051	D
Ordinary Common Stock, \$0.01 par value	01/16/2007	S ⁽¹⁾	5,380	D	\$ 42	63,671	D
Ordinary Common Stock, \$0.01 par value	01/16/2007	S ⁽¹⁾	22,600	D	\$ 41.85	41,071	D
Ordinary Common Stock, \$0.01 par value	01/17/2007	S ⁽¹⁾	1,200	D	\$ 42.29	39,871	D
Ordinary Common Stock, \$0.01 par value	01/17/2007	S ⁽¹⁾	25,000	D	\$ 42.27	14,871	D
Ordinary Common Stock, \$0.01 par value	01/17/2007	S ⁽¹⁾	200	D	\$ 42.25	14,671	D

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	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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Security			(D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			Code	V (A) (D)				
Stock Option (right to buy)	\$ 10.43	01/16/2007	X ⁽¹⁾	30,380	01/05/2007	12/31/2007	Ordinary Common Stock	30,380
Stock Option (right to buy)	\$ 10.43	01/17/2007	X ⁽¹⁾	26,400	01/05/2007	12/31/2007	Ordinary Common Stock	26,400

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 01/18/2007
 **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) 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) No price was applicable to the acquisition of this security.
- (4) The balance of options are fully vested and exercisable.

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