

MAGELLAN HEALTH SERVICES INC
 Form 4
 May 21, 2008

FORM 4

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

OMB APPROVAL

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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)
05/20/2008

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

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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)
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(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 Number Shares
Stock Option (right to buy)	\$ 41.47	05/20/2008 ⁽¹⁾		A			206,781		⁽²⁾	03/05/2018	Common Stock	206,781
Restricted Stock Units	⁽⁴⁾	05/20/2008		A			22,305		⁽⁵⁾	⁽³⁾	Common Stock	22,305

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/ Rene Lerer 05/20/2008
 **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).
- 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.