

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 January 22, 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)  
**01/18/2007**

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	(D)	Price
Ordinary Common Stock, \$0.01 par value	01/18/2007		X <sup>(1)</sup>		47,900	A	\$ 10.43
					62,517	(2)	
Ordinary Common Stock, \$0.01 par value	01/19/2007		X <sup>(1)</sup>		80,703	A	\$ 10.43
					143,274		
Ordinary Common Stock	01/18/2007		S <sup>(1)</sup>		800	D	\$ 41.55
					142,474		

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Stock, \$0.01 par value								
Ordinary Common Stock, \$0.01 par value	01/18/2007	S <sup>(1)</sup>	25,000	D	\$ 41.25	117,474		D
Ordinary Common Stock, \$0.01 par value	01/18/2007	S <sup>(1)</sup>	1,200	D	\$ 41	116,274		D
Ordinary Common Stock, \$0.01 par value	01/18/2007	S <sup>(1)</sup>	20,900	D	\$ 40.95	95,374		D
Ordinary Common Stock, \$0.01 par value	01/19/2007	S <sup>(1)</sup>	15,500	D	\$ 40.87	79,874		D
Ordinary Common Stock, \$0.01 par value	01/19/2007	S <sup>(1)</sup>	9,500	D	\$ 40.837	70,374		D
Ordinary Common Stock, \$0.01 par value	01/19/2007	S <sup>(1)</sup>	46,000	D	\$ 40.58	24,374		D
Ordinary Common Stock, \$0.01 par value	01/19/2007	S <sup>(1)</sup>	9,703	D	\$ 40.47	14,671		D

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)**

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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)	\$ 10.43	01/18/2007		X <sup>(1)</sup>		47,900		01/05/2007	12/31/2007	Ordinary Common Stock	47,900
Stock Option (right to buy)	\$ 10.43	01/19/2007		X <sup>(1)</sup>		80,703		01/05/2007	12/31/2007	Ordinary Common Stock	80,703

## 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                      01/22/2007  
 \*\*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.

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.