

SIERRA HEALTH SERVICES INC
 Form 4
 October 27, 2004

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 *
 PALMER PAUL H

2. Issuer Name and Ticker or Trading Symbol
 SIERRA HEALTH SERVICES INC [SIE]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 2724 N. TENAYA WAY
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/26/2004

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Sr. V.P., CFO & Treas

LAS VEGAS, NV 89128

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
Common Stock	10/26/2004		M		15,000	A	\$ 8
					44,806.97 ⁽¹⁾	D	
Common Stock	10/26/2004		S		15,000	D	\$ 46.4724
					29,806.97	D	
Common Stock	10/26/2004		M		4,450	A	\$ 5.73
					34,256.97	D	
Common Stock	10/26/2004		S		4,450	D	\$ 46.4724
					29,806.97	D	
Common Stock	10/26/2004		M		1,050	A	\$ 12.61
					30,856.97	D	

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Common Stock	10/26/2004	S	1,050	D	\$ 46.4724	29,806.97	D	
Common Stock						13,490.72	I	By 401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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 Security (Instr. 3 and 4)	Amount or Number of Shares
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 8	10/26/2004		M	15,000	10/13/2000 ⁽³⁾ 10/12/2005	Common Stock	15,000
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 5.73	10/26/2004		M	4,450	08/21/2001 ⁽⁴⁾ 05/20/2011	Common Stock	4,450
Employee Stock Option (Right to Buy) ⁽²⁾	\$ 12.61	10/26/2004		M	1,050	04/14/2004 ⁽⁵⁾ 04/13/2013	Common Stock	1,050

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PALMER PAUL H 2724 N. TENAYA WAY			Sr. V.P., CFO & Treas	

LAS VEGAS, NV 89128

Signatures

Paul H. Palmer/Jayne
Primaky POA

10/27/2004

__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) Includes 508 shares acquired in June 2004 under the Sierra Employee Stock Purchase Plan.
- (2) Exercise of options granted in consideration for services under the Company's 1995 Long-Term Incentive Plan, which meets the requirements of, and which transactions are exempted by, Rule 16b-3 and Rule 16b-6(b).
- (3) Exercisable as to 20% on each of 10/13/00, 10/13/01, 10/13/02, 10/13/03 and 10/13/04.
- (4) Exercisable as to 25% on each of 8/21/01, 5/21/02, 5/21/03 and 5/21/04.
- (5) Exercisable as to 25% on each of 4/14/04, 4/14/05, 4/14/06 and 4/14/07.

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.