

MAGELLAN HEALTH SERVICES INC
 Form 4
 January 06, 2006

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 *
 WEST JEFFREY N

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)
 14100 MAGELLAN PLAZA
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/05/2006

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 SVP & Controller

MARYLAND
 HEIGHTS, MO 63043

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 | (A) or (D) | Price |
| Ordinary Common Stock, \$0.01 par value | 01/05/2006 | | X ⁽⁴⁾ | | 3,334 | A | \$ 23.52 |
| | | | | | 4,754 | | ⁽¹⁾ |
| Ordinary Common Stock, \$0.01 par value | 01/05/2006 | | X ⁽⁴⁾ | | 6,666 | A | \$ 12.39 |
| | | | | | 11,420 | | |
| | 01/05/2006 | | S ⁽⁴⁾ | | 3,334 | D | 8,086 |
| | | | | | | | |

Ordinary
Common
Stock
\$0.01 par
value

\$
32.2572

Ordinary
Common
Stock, 01/05/2006 S⁽⁴⁾ 6,666 D \$ 32.261 1,420 D
\$0.01 par
value

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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-----------------------|----------------------------|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V (A) (D) | | |
| Stock Option (right to buy) | \$ 23.52 | 01/05/2006 | | X ⁽⁴⁾ | 3,334 | 01/05/2006 ⁽²⁾ | 01/05/2014 | Ordinary Common Stock | 3,333 |
| Stock Option (right to buy) | \$ 12.39 | 01/05/2006 | | X ⁽⁴⁾ | 6,666 | 01/05/2006 ⁽⁵⁾ | 01/05/2014 | Ordinary Common | 6,666 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| WEST JEFFREY N 14100 MAGELLAN PLAZA | | | SVP & Controller | |

MARYLAND HEIGHTS, MO 63043

Signatures

/s/ Jeffrey N.
West

01/06/2006

__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 1,420 shares owned prior to this transaction.
- (2) Remaining 6,668 options vest in increments of one half on January 5, 2007 and 2008.
- (3) Not applicable.
- (4) This transaction was effectuated pursuant to a Rule 10b-5-1 plan and, accordingly, not on a discretionary basis by the reporting person.
- (5) Remaining 19,998 options vest and become exercisable as follows: 25% on January 5, 2007 and 50% on January 5, 2008.

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.