

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 March 06, 2012

**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)  
**03/03/2012**

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 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	03/03/2012		M <sup>(1)</sup>		7,373	A	\$ 0 <sup>(2)</sup>	61,335	D
Ordinary Common Stock, \$0.01 par value	03/03/2012		M <sup>(3)</sup>		8,265	A	\$ 0 <sup>(2)</sup>	69,600	D
Ordinary Common Stock	03/04/2012		M <sup>(4)</sup>		9,298	A	\$ 0 <sup>(2)</sup>	78,898	D

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Stock,  
\$0.01 par  
value

Ordinary  
Common

Stock,	03/03/2012	F <sup>(5)</sup>	3,181	D	\$	47.46	75,717	D
\$0.01 par					(7)			
value								

Ordinary  
Common

Stock,	03/03/2012	F <sup>(5)</sup>	3,566	D	\$	47.46	72,151	D
\$0.01 par					(7)			
value								

Ordinary  
Common

Stock,	03/04/2012	F <sup>(5)</sup>	4,012	D	\$	47.46	68,139	D
\$0.01 par					(7)			
value								

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 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)	8. De	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units	\$ 0 <sup>(2)</sup>	03/03/2012		M <sup>(1)</sup>	7,373	03/03/2012	<sup>(6)</sup>	Common Stock	7,373
Restricted Stock Units	\$ 0 <sup>(2)</sup>	03/03/2012		M <sup>(3)</sup>	8,265	03/03/2012	<sup>(6)</sup>	Common Stock	8,265
	\$ 0 <sup>(2)</sup>	03/04/2012		M <sup>(4)</sup>	9,298	03/04/2012	<sup>(6)</sup>		9,298

Restricted  
Stock  
Units

Common  
Stock

## 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                      03/06/2012  
 \*\*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).  
 This transaction was effectuated by a one-third vesting of the Restricted Stock Unit Award granted on March 3, 2010. Each Restricted  
 (1) Stock Unit represents a contingent right to receive one share of Magellan common stock. The remainder of 7,372 shares shall vest on March 3, 2013.  
 (2) No price was applicable to the acquisition of this security.  
 This transaction was effectuated by a one-third vesting of the Restricted Stock Unit Award granted on March 3, 2011. Each Restricted  
 (3) Stock Unit represents a contingent right to receive one share of Magellan common stock. The remainder of 16,529 shall vest in equal increments on March 3, 2013 and 2014.  
 (4) This transaction was effectuated by a one-third vesting of the Restricted Stock Unit Award granted on March 4, 2009. Each Restricted Stock Unit represents a contingent right to receive one share of Magellan common stock.  
 (5) Represents the portion of shares which the Company determined to settle in cash to pay applicable tax withholding.  
 (6) Not applicable  
 (7) Closing price of Magellan shares on NASDAQ as of March 5, 2012

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.