

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 May 09, 2006

**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 \*  
 SHULMAN STEVEN J

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)  
 05/05/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Chairman and CEO

AVON, CT 06001

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Ordinary Common Stock, \$0.01 par value	05/05/2006		X <sup>(1)</sup>		13,326	A	\$ 11.91
Ordinary Common Stock, \$0.01 par value	05/08/2006		X <sup>(1)</sup>		11,674	A	\$ 11.91
Ordinary Common	05/05/2006		S <sup>(1)</sup>		600	D	\$ 40.06
							170,210 <sup>(2)</sup>
							181,884
							181,284

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Stock, \$0.01 par value								
Ordinary Common Stock, \$0.01 par value	05/05/2006	<u>S<sup>(1)</sup></u>	100	D	\$ 40.05	181,184	D	
Ordinary Common Stock, \$0.01 par value	05/05/2006	<u>S<sup>(1)</sup></u>	500	D	\$ 40.04	180,684	D	
Ordinary Common Stock, \$0.01 par value	05/05/2006	<u>S<sup>(1)</sup></u>	300	D	\$ 40.03	180,384	D	
Ordinary Common Stock, \$0.01 par value	05/05/2006	<u>S<sup>(1)</sup></u>	100	D	\$ 40.02	180,284	D	
Ordinary Common Stock, \$0.01 par value	05/05/2006	<u>S<sup>(1)</sup></u>	700	D	\$ 40.01	179,584	D	
Ordinary Common Stock, \$0.01 par value	05/05/2006	<u>S<sup>(1)</sup></u>	11,026	D	\$ 40	168,558	D	
Ordinary Common Stock, \$0.01 par value	05/08/2006	<u>S<sup>(1)</sup></u>	10,979	D	\$ 40	157,579	D	
Ordinary Common Stock, \$0.01 par value	05/08/2006	<u>S<sup>(1)</sup></u>	695	D	\$ 40.04	156,884	D	

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

**Persons who respond to the collection of  
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SEC 1474  
(9-02)

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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 Securities (Instr. 3 and 4)	Amount or Number of Shares
Stock Option (right to buy)	\$ 11.91	05/05/2006		X <sup>(1)</sup>	13,326	01/05/2006 12/31/2006	Common Stock	13,326
Stock Option (right to buy)	\$ 11.91	05/08/2006		X <sup>(1)</sup>	11,674	01/05/2006 12/31/2006	Common Stock	11,674

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHULMAN STEVEN J 55 NOD ROAD AVON, CT 06001	X		Chairman and CEO	

## Signatures

/s/ Steven J. Shulman  
05/08/2006

\*\*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) This transaction was effectuated pursuant to a Rule 10b-5-1 plan and, accordingly, not on a discretionary basis by the reporting person.
- (2) Includes 156,884 shares owned prior to current transaction, of which 18,339 shares are unvested restricted stock.
- (3) Not applicable.
- (4)

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Of the remainder of 250,336 options in this tranche, after giving effect to both transactions listed in Table II, 43,834 options are exercisable until 12/31/06. The remainder of 206,502 options in the tranche will become exercisable on January 5, 2007 and until December 31, 2007.

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.