

MATRIA HEALTHCARE INC  
 Form 4  
 July 20, 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 \*  
 Hassett Richard M

2. Issuer Name and Ticker or Trading Symbol  
 MATRIA HEALTHCARE INC  
 [MATR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 1850 PARKWAY PLACE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 07/17/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 President and COO

MARIETTA, GA 30067

(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)
				(A) or (D)	Price		
			Code V	Amount			
Common Stock <sup>(1)</sup>	07/17/2006		A V	331 A	\$ 18.21	D	

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

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SEC 1474 (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
Option (right to buy) <u>(2)</u>	\$ 23.81	11/15/2004		J	75,000	11/15/2009 11/15/2014	Common Stock 75,000
Option (right to buy) <u>(3)</u>	\$ 28.48	02/22/2005		J	75,000	02/22/2010 02/22/2015	Common Stock 75,000
Option (right to buy) <u>(4)</u>	\$ 29.97	06/08/2005		J	22,500	06/08/2010 06/08/2015	Common Stock 22,500
Option (right to buy) <u>(5)</u>	\$ 34.47	07/20/2005		J	10,000	07/20/2010 07/20/2015	Common Stock 10,000
Option (right to buy) <u>(6)</u>	\$ 34.11	11/07/2005		J	50,000	11/07/2008 11/07/2015	Common Stock 50,000
Option (right to buy) <u>(7)</u>	\$ 40.33	01/04/2006		J	25,000	01/04/2009 01/04/2016	Common Stock 25,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hassett Richard M 1850 PARKWAY PLACE MARIETTA, GA 30067			President and COO	

## Signatures

Roberta L. McCaw, Attorney-in-Fact for Richard M. Hassett  
 \_\_\_\_\_  
 \*\*Signature of Reporting Person

07/20/2006  
 \_\_\_\_\_  
 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) Purchased pursuant to Employee Stock Purchase Plan for quarter ended 06/30/2006.

(2) Granted on 11/15/2004 and vests 20% per annum thereafter.

(3) Granted on 02/22/2005 and vests 20% per annum thereafter.

(4) Granted on 06/08/2005 and vests 20% per annum thereafter.

(5) Granted on 07/20/2005 and vests 20% per annum thereafter.

(6) Granted on 11/07/2005 and vests 33 1/3% per annum thereafter.

(7) Granted on 01/04/2006 and vests 33 1/3% per annum thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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