

MAGELLAN HEALTH SERVICES INC

Form 4

July 18, 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 *
 Majerik Michael

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)

AVON, CT 06001

(City) (State) (Zip)

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

4. If Amendment, Date Original
 Filed(Month/Day/Year)

____ Director ____ 10% Owner
 ___X___ Officer (give title ____ Other (specify
 below) below)
 Chief Sales&Marketing Officer

6. Individual or Joint/Group Filing(Check
 Applicable Line)
 ___X___ 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------------|---|---|--------------------------------------|--|--|--|---|
| | | | Code | V | Amount | (D) | Price |

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)**

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------------|------------------------------|---|---|------------------------|--|--|---|
|---------------------------------------|------------------------------|---|---|------------------------|--|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--------------------------------------|------------------------------------|------------------|------------|--|------|---|--------|-----|---------------------|--------------------|-----------------|-------------------------------------|
| Stock Option (right to buy) | \$ 43.45 | 07/17/2006 | | | A | | 37,500 | | (1) | 07/17/2016 | Common Stock | 37,500 |
| Restricted Stock Units | (3) | 07/17/2006 | | | A | | 4,753 | | (4) | (5) | Common Stock | 4,753 |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|--|----------------------------------|
| | Director 10% Owner Officer Other |
| Majerik Michael 55 NOD ROAD AVON, CT 06001 | Chief Sales&Marketing Officer |

Signatures

/s/ Michael
Majerik 07/18/2006
 __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).
- (1) Options vest and become exercisable in one-third incements on July 17 of each of 2007, 2008 and 2009.
- (2) No price was applicable to the acquisition of this security.
- (3) Grant of Restricted Stock Units.
- (4) Restricted Stock Units shall vest in one-third increments on July 17 of each of 2007, 2008, and 2009.
- (5) Not applicable.

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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