MAGELLAN HEALTH SERVICES INC

Form 4

October 11, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

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January 31, 2005

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OMB APPROVAL

response...

if no longer subject to Section 16. Form 4 or

Check this box

Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

5. Relationship of Reporting Person(s) to

Issuer

Reimer Eric

Symbol

MAGELLAN HEALTH SERVICES INC [MGLN]

2. Issuer Name and Ticker or Trading

(Check all applicable)

(Last) (First) (Middle) 3. Date of Earliest Transaction

Director 10% Owner _X__ Officer (give title Other (specify

(Month/Day/Year) 55 NOD ROAD

10/10/2006

below) Chf Strategy&Dvlpmnt Officer

(Street) 4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check Applicable Line)

Filed(Month/Day/Year)

(Instr. 8)

X Form filed by One Reporting Person Form filed by More than One Reporting

(Instr. 4)

Person

below)

AVON, CT 06001

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I)

(Instr. 4)

(A)

(Instr. 3, 4 and 5)

Reported Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

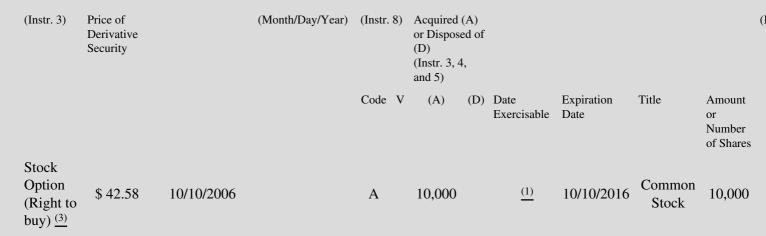
Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of 8 **Underlying Securities** (Instr. 3 and 4)

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Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Reimer Eric Chf

55 NOD ROAD Strategy&Dvlpmnt

AVON, CT 06001 Officer

Signatures

/s/ Eric Reimer 10/11/2006

**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 33.3% incements on each of October 10, 2007, 2008 and 2009.
- (2) No price was applicable to the acquisition of this security.

Options issued pursuant to the Issuer's previous commitment to grant options to offset shortened exercise period of options exercised by

(3) Mr. Reimer on September 9, 2006. Such exercised options had been previously amended to shorten the term thereof to address the requirements of Section 409A of the Internal Revenue Code.

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.

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