MAGELLAN HEALTH SERVICES INC
Form 4
August 03, 2006

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
SHULMAN STEVEN J

(Last) (First) (Middle)

55 NOD ROAD

(Street)

AVON, CT 06001

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
MAGELLAN HEALTH SERVICES INC [MGLN]

3. Date of Earliest Transaction (Month/Day/Year)
08/01/2006

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chairman and CEO

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	(A) or (D)	Price			
Ordinary Common Stock, $0.01 par value	08/01/2006		X(1)		5,700	A	$ 11.91	162,584 (2)	D	
Ordinary Common Stock, $0.01 par value	08/01/2006		S(1)		100	D	$ 47.96	162,484	D	
Ordinary Common	08/01/2006		S(1)		200	D	$ 47.74	162,284	D	

Stock, $0.01 par value							
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	200	D	$ 47.68	162,084	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	100	D	$ 47.67	161,984	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	100	D	$ 47.62	161,884	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	200	D	$ 47.6	161,684	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	987	D	$ 47.59	160,697	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	8	D	$ 47.58	160,689	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	92	D	$ 47.56	160,597	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	449	D	$ 47.55	160,148	D
Ordinary Common Stock,	08/01/2006	S[(1)]	51	D	$ 47.54	160,097	D

$0.01 par value							
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	200	D	$ 47.5	159,897	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	500	D	$ 47.49	159,397	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	300	D	$ 47.48	159,097	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	1,727	D	$ 47.47	157,370	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	100	D	$ 47.46	157,270	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	286	D	$ 47.45	156,984	D
Ordinary Common Stock, $0.01 par value	08/01/2006	S[(1)]	100	D	$ 47.44	156,884	D

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

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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)		8. D S (I
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option (right to buy)	$ 11.91	08/01/2006		X[(1)]		5,700		01/05/2006	12/31/2006	Common Stock	5,700	

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	08/03/2006
**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) Of the 224,636 options in this tranche, 18,134 are exercisable until 12/31/06. The remainder of 206,502 options in this 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.
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