

MAGELLAN HEALTH SERVICES INC  
Form SC 13D/A  
November 06, 2008

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

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT NO. 1)

Magellan Health Services Inc.

-----  
(Name of Issuer)

Common Stock, \$0.01 Par Value Per Share

-----  
(Title Class of Securities)

559079207

-----  
(CUSIP Number)

HealthCor Management, L.P.  
Carnegie Hall Tower  
152 West 57th Street, 47th Floor  
New York, New York 10019  
Attention: Mr. Steven J. Musumeci  
(212) 622-7888

With a Copy to:  
Marc Weingarten  
Schulte Roth & Zabel LLP  
919 Third Avenue  
New York, New York 10022  
(212) 756-2280

-----  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

November 4, 2008

-----  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. [X]

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1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION OF ABOVE PERSON  
HealthCor Management, L.P.  
20-2893581

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a)   
(b)

-----

3 SEC USE ONLY

-----

4 SOURCE OF FUNDS  
WC

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5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEMS 2(D) OR 2(E)

-----

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 3,200,000
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 3,200,000

-----

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
3,200,000

-----

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES\*

-----

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
7.91%

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14 TYPE OF REPORTING PERSON  
PN

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1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION OF ABOVE PERSON  
HealthCor Associates, LLC  
20-2891849

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

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(a)   
 (b)

-----

3 SEC USE ONLY

-----

4 SOURCE OF FUNDS\*  
AF

-----

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEMS 2(D) OR 2(E)

-----

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 3,200,000
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 3,200,000

-----

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
3,200,000

-----

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES\*

-----

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
7.91%

-----

14 TYPE OF REPORTING PERSON  
OO- limited liability company

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1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION OF ABOVE PERSON  
HealthCor Offshore, Ltd.  
N/A

-----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a)   
(b)

-----

3 SEC USE ONLY

-----

4 SOURCE OF FUNDS

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AF

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5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E) [ ]

-----

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Cayman Islands

-----

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 2,159,513
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 2,159,513

-----

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
2,159,513

-----

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\* [ ]

-----

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
5.34%

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14 TYPE OF REPORTING PERSON  
OO-limited company

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1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION OF ABOVE PERSON  
HealthCor Hybrid Offshore, Ltd.  
N/A

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a) [x]  
(b) [ ]

-----

3 SEC USE ONLY

-----

4 SOURCE OF FUNDS  
AF

-----

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E) [ ]

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6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Cayman Islands

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 402,898
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 402,898
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 402,898	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* [ ]	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 1.0%	
14	TYPE OF REPORTING PERSON OO-limited company	

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1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION OF ABOVE PERSON HealthCor Group, LLC 51-0551771	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E) [ ]	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 637,589

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REPORTING PERSON WITH 9 SOLE DISPOSITIVE POWER  
0

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10 SHARED DISPOSITIVE POWER  
637,589

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
637,589

-----  
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES\* [ ]

-----  
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
1.58%

-----  
14 TYPE OF REPORTING PERSON  
OO-limited liability company

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1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION OF ABOVE PERSON  
HealthCor Capital, L.P.  
51-0551770

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a) [x]  
(b) [ ]

-----  
3 SEC USE ONLY

-----  
4 SOURCE OF FUNDS  
AF

-----  
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEMS 2(D) OR 2(E) [ ]

-----  
6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----  
NUMBER OF SHARES 7 SOLE VOTING POWER  
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 0

-----  
8 SHARED VOTING POWER  
637,589

-----  
9 SOLE DISPOSITIVE POWER  
0

-----  
10 SHARED DISPOSITIVE POWER  
637,589

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
637,589

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-----  
 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
 SHARES\* [ ]  
 -----  
 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
 1.58%  
 -----  
 14 TYPE OF REPORTING PERSON  
 PN  
 -----

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 1 NAME OF REPORTING PERSON  
 S.S. OR I.R.S. IDENTIFICATION OF ABOVE PERSON  
 HealthCor L.P.  
 20-3240266  
 -----  
 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
 (a)   
 (b)   
 -----  
 3 SEC USE ONLY  
 -----  
 4 SOURCE OF FUNDS  
 AF  
 -----  
 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
 ITEMS 2(D) OR 2(E) [ ]  
 -----  
 6 CITIZENSHIP OR PLACE OF ORGANIZATION  
 Delaware  
 -----  

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 637,589
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 637,589

 -----  
 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 637,589  
 -----  
 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
 SHARES\* [ ]  
 -----  
 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
 1.58%  
 -----  
 14 TYPE OF REPORTING PERSON

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PN

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1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION OF ABOVE PERSON  
Arthur Cohen

-----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)   
(b)

-----

3 SEC USE ONLY

-----

4 SOURCE OF FUNDS\*  
AF

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5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEMS 2(D) OR 2(E)

-----

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

-----

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 3,200,000
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 3,200,000

-----

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
3,200,000

-----

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN  
SHARES\*

-----

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
7.91%

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14 TYPE OF REPORTING PERSON  
IN

-----

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1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION OF ABOVE PERSON Joseph Healey
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY
4	SOURCE OF FUNDS* AF
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E) <input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION United States
	7 SOLE VOTING POWER 0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8 SHARED VOTING POWER 3,200,000
	9 SOLE DISPOSITIVE POWER 0
	10 SHARED DISPOSITIVE POWER 3,200,000
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,200,000
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* <input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.91%
14	TYPE OF REPORTING PERSON IN

CUSIP NO. 559079207

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The Schedule 13D filed by the Reporting Persons on March 17, 2008 relating to the shares ("Shares") of common stock, \$0.01 par value, of Magellan Health Services Inc. is hereby amended as set forth below by this Amendment No. 1 to the Schedule 13D.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Item 3 of the Schedule 13D is hereby amended as follows:

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The total amount HealthCor has paid for the 3,200,000 Shares reported herein is approximately \$126,674,048.31. The Shares were paid for by cash provided by the HealthCor Funds that are managed by HealthCor Management, L.P. Such cash consists of capital contributions from investors in the HealthCor Funds and the capital appreciation thereon.

### ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Subsections (a) and (c) of Item 5 of the Schedule 13D are hereby amended as follows:

(a) As of November 4, 2008, the Reporting Persons beneficially owned in the aggregate 3,200,000 Shares which represents approximately 7.91% of the Issuer's Common Stock outstanding.

The aggregate percentage beneficially owned by the Reporting Persons is based upon 40,453,168 Shares of the Issuer issued and outstanding as of September 30, 2007, as reported in the Issuer's 10-Q filed for the quarterly period ended September 30, 2008.

(c) The following transactions in the Shares were effected by the Reporting Persons during the past 60 days, each of which was effected in open market transactions.

HealthCor, L.P.

Trade Date	Shares Purchased(Sold)	Price per Share
10/31/2008	1,043	\$34.10
10/31/2008	28,859	36.03
11/04/2008	10,072	34.67

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HealthCor Offshore, Ltd.

Trade Date	Shares Purchased(Sold)	Price per Share
10/31/2008	3,535	\$34.10
10/31/2008	97,757	36.03
11/04/2008	33,616	34.67

HealthCor Hybrid Offshore, Ltd.

Trade Date	Shares Purchased(Sold)	Price per Share
10/31/2008	657	\$34.10
10/31/2008	18,149	36.03

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11/04/2008

6,312

34.67

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: November 6, 2008

HEALTHCOR MANAGEMENT, L.P., FOR ITSELF  
AND AS MANAGER ON BEHALF OF (I) HEALTHCOR  
OFFSHORE, LTD. AND (II) HEALTHCOR HYBRID  
OFFSHORE, LTD.

HEALTHCOR ASSOCIATES, LLC

By: /s/ Steven J. Musumeci

By: HealthCor Associates, LLC, its general  
partner

Name: Steven J. Musumeci  
Title: Chief Operating Officer

By: /s/ Steven J. Musumeci

-----  
Name: Steven J. Musumeci  
Title: Chief Operating Officer

HEALTHCOR GROUP, LLC

By: /s/ Steven J. Musumeci

HEALTHCOR CAPITAL, L.P., FOR ITSELF AND  
AS GENERAL PARTNER ON BEHALF OF  
HEALTHCOR, L.P.

-----  
Name: Steven J. Musumeci  
Title: Chief Operating Officer

By: HealthCor Group, LLC, its general  
partner

/s/ Joseph Healey

-----  
JOSEPH HEALEY, Individually

By: /s/ Steven J. Musumeci

-----  
Name: Steven J. Musumeci  
Title: Chief Operating Officer

/s/ Arthur Cohen

-----  
ARTHUR COHEN, Individually