

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 January 10, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
 DEMILIO MARK S

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)

3. Date of Earliest Transaction (Month/Day/Year)  
 01/08/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Chief Financial Officer

AVON, CT 06001

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

(City) (State) (Zip)

**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	01/08/2007		X <sup>(1)</sup>		108,301	A	\$ 10.43
					115,636		<sup>(2)</sup>
Ordinary Common Stock, \$0.01 par value	01/08/2007		X <sup>(1)</sup>		51,999	A	\$ 11.91
					167,635		
Ordinary Common Stock	01/09/2007		X <sup>(1)</sup>		140,736	A	\$ 11.91
					308,371		

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Stock,  
\$0.01 par  
value

Ordinary  
Common

Stock,	01/08/2007		<u>S</u> <sup>(1)</sup>	160,300	D	\$	41.5242	148,071	D
\$0.01 par value						<u>(3)</u>			

Ordinary  
Common

Stock,	01/09/2007		<u>S</u> <sup>(1)</sup>	140,736	D	\$	40.8586	7,335	D
\$0.01 par value						<u>(4)</u>			

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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 (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 Number of Shares
Stock Option (right to buy)	\$ 10.43	01/08/2007		<u>X</u> <sup>(1)</sup>	108,301	01/05/2007	12/31/2007	Ordinary Common Stock	108,300
Stock Option (right to buy)	\$ 11.91	01/08/2007		<u>X</u> <sup>(1)</sup>	51,999	01/05/2007	12/31/2007	Ordinary Common Stock	51,999
Stock Option (right to buy)	\$ 11.91	01/09/2007		<u>X</u> <sup>(1)</sup>	30,602	01/05/2007	12/31/2007	Ordinary Common Stock	30,602
Stock Option (right to buy)	\$ 11.91	01/09/2007		<u>X</u> <sup>(1)</sup>	110,134	01/05/2007	12/31/2007	Common Stock	110,134

buy)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DEMILIO MARK S 55 NOD ROAD AVON, CT 06001			Chief Financial Officer	

## Signatures

/s/ Mark S Demilio	01/10/2007
**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) These transactions were effectuated pursuant to a Rule 10b-5-1 plan and, accordingly, not on a discretionary basis by the reporting person.
- (2) Balance includes 7,335 shares of restricted stock owned prior to reported transaction.
- (3) Price reflected is the average sale price for shares sold. Please see attached Exhibit 99.1 for a complete list of all sales by sale price.
- (4) Price reflected is the average sale price for shares sold. Please see attached Exhibit 99.2 for a complete list of all sales by sale price.
- (5) No price was applicable to the acquisition of this security.

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.