

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 June 23, 2005

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**LERER RENE**

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)  
**16 MUNSON ROAD**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**06/21/2005**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**President & COO**

**FARMINGTON, CT 06032**

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 Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|   |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Ordinary Common Stock, \$0.01 par value | 06/21/2005                           |  | X <sup>(1)</sup>               |   | 81,700  | A  | \$ 10.43                          |
|   |                                      |  |                                |   | 96,371  | <sup>(3)</sup>   |                                   |
| Ordinary Common Stock, \$0.01 par value | 06/21/2005                           |  | S <sup>(1)</sup>               |   | 25,700  | D  | \$ 34.1                           |
|   |                                      |  |                                |   | 70,671  |  |                                   |
| Ordinary Common Stock                   | 06/21/2005                           |  | S <sup>(1)</sup>               |   | 14,300  | D  | \$ 34.056                         |
|   |                                      |  |                                |   | 56,371  |  |                                   |

Stock,  
\$0.01 par  
value

Ordinary  
Common

|                     |            |  |                  |        |   |        |        |   |
|---------------------|------------|--|------------------|--------|---|--------|--------|---|
| Stock,              | 06/21/2005 |  | S <sup>(1)</sup> | 25,000 | D | \$     | 31,371 | D |
| \$0.01 par<br>value |            |  |                  |        |   | 34.052 |        |   |

Ordinary  
Common

|                     |            |  |                  |       |   |       |        |   |
|---------------------|------------|--|------------------|-------|---|-------|--------|---|
| Stock,              | 06/21/2005 |  | S <sup>(1)</sup> | 9,800 | D | \$    | 21,571 | D |
| \$0.01 par<br>value |            |  |                  |       |   | 34.05 |        |   |

Ordinary  
Common

|                     |            |  |                  |       |   |        |        |   |
|---------------------|------------|--|------------------|-------|---|--------|--------|---|
| Stock,              | 06/21/2005 |  | S <sup>(1)</sup> | 6,900 | D | \$     | 14,671 | D |
| \$0.01 par<br>value |            |  |                  |       |   | 34.026 |        |   |

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.**

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(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 or Number of Shares                              |
| Stock Option (right to buy)                | \$ 10.43   | 06/21/2005                           |  | X                              | 81,700  | 01/05/2005 01/05/2014                                    | Ordinary Common Stock 81,700                                  |

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director    10% Owner    Officer    Other

LERER RENE  
16 MUNSON ROAD  
FARMINGTON, CT 06032

X

President & COO

## Signatures

/s/ Rene Lerer

06/23/2005

\_\_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) Not applicable.
- (3) Includes 14,671 shares of stock owned prior to current transaction
- (4) Total number of shares exercisable on 1/5/05 were 123,901 shares of which 95,490 have been exercised. There are currently 28,411 shares available for exercise. The remainder of 247,802 options will vest in increments of one half on January 5, 2006 and 2007.

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.