

MAGELLAN HEALTH SERVICES INC

Form 4

May 20, 2008

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
WEST JEFFREY N

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)

14100 MAGELLAN PLAZA

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
05/16/2008

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)
SVP & Controller

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

MARYLAND
HEIGHTS, MO 63043

(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	05/16/2008		M ⁽⁶⁾		100	A	\$ 0 (3)
							3,704
							D

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

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information contained in this form are not
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SEC 1474
(9-02)

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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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Option (right to buy)	\$ 41.47	05/20/2008 ⁽¹⁾		A	26,469	⁽²⁾ 03/05/2018	Common Stock 26,469
Restricted Stock Units	⁽⁴⁾	05/20/2008		A	2,855	⁽⁵⁾ ⁽³⁾	Common Stock 2,855

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
WEST JEFFREY N 14100 MAGELLAN PLAZA MARYLAND HEIGHTS, MO 63043	SVP & Controller

Signatures

/s/ Jeff West 05/20/2008

 **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).

The options were approved on March 5, 2008, subject to shareholder approval of the 2008 Management Incentive Plan under which the

- (1) options were granted. The shareholders of the Issuer approved the Plan on May 20, 2008. As per the Plan, the exercise price of the options was determined by using the closing price of the Issuer's Ordinary Common Stock on NASDAQ on March 5, 2008.
- (2) Options vest and become exercisable in one-third increments on March 5, of each of 2009, 2010 and 2011.
- (3) Not applicable.

The restricted stock unit award was approved on March 5, 2008, subject to shareholder approval of the 2008 Management Incentive Plan under which the restricted stock units were granted. The shareholders of the Issuer approved the Plan on May 20, 2008. Each restricted stock unit represents a contingent right to receive one share of Magellan common stock.

- (5) Restricted Stock Units shall vest in one-third increments on March 5, of each of 2009, 2010 and 2011, subject to satisfaction of certain performance requirements.

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- (6) This transaction was effectuated by a one-third vesting of the Restricted Stock Unit Award granted on May 16, 2006. Each Restricted Stock Unit represents a contingent right to receive one share of Magellan common stock.

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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