

MAGELLAN HEALTH SERVICES INC  
 Form 4  
 March 16, 2006

**FORM 4**

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

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).

**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 \*  
**KOTIN ANTHONY M**

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)  
**03/14/2006**

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

**AVON, CT 06001**  
 (City) (State) (Zip)

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

**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	03/14/2006		X		8,333	A	\$ 12.39
							10,543 <sup>(5)</sup>
Ordinary Common Stock, \$0.01 par value	03/14/2006		X		4,168	A	\$ 23.52
							14,711
Ordinary Common	03/14/2006		X		4,473	A	\$ 34.57
							19,184

Stock,  
\$0.01 par  
value

Ordinary  
Common

Stock, 03/14/2006 S 16,974 D \$ 37.5 2,210 D  
\$0.01 par  
value

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

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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)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 12.39	03/14/2006		X	8,333	01/05/2006 01/15/2014	Ordinary Common Stock	8,333
Stock Option (Right to Buy)	\$ 23.52	03/14/2006		X	4,168	01/05/2006 02/04/2014	Ordinary Common Stock	4,168
Stock Option (Right to Buy)	\$ 34.57	03/14/2006		X	4,473	03/10/2006 03/10/2015	Ordinary Common Stock	4,473

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Reporting Owners

KOTIN ANTHONY M  
55 NOD ROAD  
AVON, CT 06001

Chief Clinical Officer

## Signatures

/s/ Anthony M.  
Kotin

03/16/2006

\*\*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) Not applicable.
- (2) The remainder of options will vest in become exercisable as follows: 25% of total option grant of 33,330 shares on January 5, 2007 and 50% of total option grant of 33,330 shares on January 5, 2008
- (3) The remainder of 8,334 options will vest in increments of one half on January 5, 2007 and 2008.
- (4) The remainder of 13,417 options will vest in increments of one third on March 10 of 2007, 2008 and 2009.
- (5) Balance reflects 2,210 shares of Restricted Stock granted pursuant to the Company's Management Incentive Plan.

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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