
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13E-4
ISSUER TENDER OFFER STATEMENT
(PURSUANT TO SECTION 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934)

(AMENDMENT NO. 5)

MAGELLAN HEALTH SERVICES, INC.
(Name of Issuer and Person Filing Statement)

COMMON STOCK, PAR VALUE \$0.25 PER SHARE
(Title of Class of Securities)

559079 10 8
(CUSIP Number of Class of Securities)

STEVE J. DAVIS
EXECUTIVE VICE PRESIDENT --
ADMINISTRATIVE SERVICES AND GENERAL COUNSEL
MAGELLAN HEALTH SERVICES, INC.
SUITE 1400
3414 PEACHTREE ROAD, N.E.
ATLANTA, GEORGIA 30326
(404) 841-9200

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications on Behalf of the Person Filing Statement)

COPY TO:

ROBERT W. MILLER
KING & SPALDING
191 PEACHTREE STREET
ATLANTA, GEORGIA 30303
(404) 572-4600

August 15, 1996
(Date Tender Offer First Published, Sent or Given to Security Holders)

CALCULATION OF FILING FEE

Transaction Valuation \$61,050,000*

Amount of Filing Fee \$12,210

*Based upon purchase of 3,300,000 shares at the maximum tender offer price of
\$18.50 per share.

/ / Check box if any part of the fee is offset as provided by Rule 0-11(a)(2)
and identify the filing with which the offsetting fee was previously paid.

Identify the previous filing by registration statement number, or the form
or schedule and the date of its filing.

Amount Previously Paid: \$12,210 Filing Party: Magellan Health Services,
Inc.

Form Or Registration No.: Schedule 13E-4 Date Filed: August 15, 1996

This Amendment No. 5 to Schedule 13E-4 is being filed with the Securities

and Exchange Commission (the "Commission") by Magellan Health Services, Inc. (the "Company") on October 1, 1996, and amends the Schedule 13E-4 filed by the Company with the Commission on August 15, 1996, amended August 21, 1996, amended September 5, 1996, amended September 9, 1996, and last amended September 12, 1996 (the "Schedule 13E-4"). Unless otherwise defined herein, all capitalized terms used but not defined herein have the meanings assigned to them in the Schedule 13E-4.

ITEM 8. ADDITIONAL INFORMATION.

The Offer expired at 12:00 midnight, New York City time on Wednesday, September 18, 1996. The Company will purchase 3,961,505 shares of its Common Stock at \$18.375 per share, which represents all of the shares tendered at or below such price per share.

ITEM 9. MATERIAL TO BE FILED AS EXHIBITS.

EXHIBIT NO.	DESCRIPTION
* (a) (1)	-- Form of Offer to Purchase dated August 15, 1996.
* (a) (2)	-- Form of Letter of Transmittal.
* (a) (3)	-- Form of Notice of Guaranteed Delivery.
* (a) (4)	-- Form of letter to brokers, dealers, commercial banks, trust companies and other nominees dated August 15, 1996.
* (a) (5)	-- Form of letter to clients who are common stockholders for use by brokers, dealers, commercial banks, trust companies and other nominees dated August 15, 1996.
* (a) (6)	-- Form of letter to stockholders from the Chairman and Chief Executive Officer of the Company dated August 15, 1996.
* (a) (7)	-- Form of letter to Participants for use by the Trustee of the Company's Employee Stock Ownership Plan dated August 22, 1996.
* (a) (8)	-- Form of Summary Advertisement dated August 15, 1996.
* (a) (9)	-- Form of Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
* (a) (10)	-- Form of Press Release dated August 15, 1996.
* (a) (11)	-- Form of Supplement to Offer to Purchase dated September 5, 1996.
* (a) (12)	-- Form of Press Release dated September 5, 1996.
* (a) (13)	-- Form of letter to Participants for use by the Trustee of the Company's Employee Stock Ownership Plan dated September 6, 1996.
* (a) (14)	-- Revised Form of Offer to Purchase dated August 15, 1996.
** (a) (15)	-- Form of Press Release dated September 19, 1996.
** (a) (16)	-- Form of Press Release dated October 1, 1996.
* (b) (1)	-- Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, Bankers Trust Company, as Agent, First Union National Bank of North Carolina, as Co-Agent, and the financial institutions listed in such credit agreement, which was filed as Exhibit 4(e) to the Company's Registration Statement on Form S-4 (No. 33-53701), filed May 18, 1994, and is incorporated herein by reference.

EXHIBIT NO.	DESCRIPTION
* (b) (2)	-- Amendment No. 1, dated as of June 9, 1994, to Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, the financial institutions listed therein, Bankers Trust Company, as Agent, and First Union National Bank of North Carolina, as Co-Agent, which was filed as Exhibit 4(w) to the Company's Amendment No. 1 to Registration Statement on Form S-4 (No. 33-53701) filed July 1, 1994, and is incorporated herein by reference.
* (b) (3)	-- Amendment No. 2, dated as of September 30, 1994, to Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, the financial institutions listed therein, Bankers Trust Company, as Agent, and First Union National Bank of North Carolina, as Co-Agent, which was filed as Exhibit 4(s) to the Company's Annual Report on Form 10-K for the year ended September 30, 1994, and is incorporated herein by reference.
* (b) (4)	-- Amendment No. 3, dated as of December 12, 1994, to Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, the financial institutions listed therein, Bankers Trust Company, as Agent, and First Union National Bank of North Carolina, as Co-Agent, which was filed as Exhibit 4(a) to the Company's Quarterly Report on Form 10-Q for the Quarterly Period ended December 31, 1994, and is incorporated herein by reference.
* (b) (5)	-- Amendment No. 4, dated as of January 11, 1995, to Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, the financial institutions listed therein, Bankers Trust Company, as Agent, and First Union National Bank of North Carolina, as Co-Agent, which was filed as Exhibit 4(b) to the Company's Quarterly Report on 10-Q for the Quarterly Period ended December 31, 1994, and is incorporated herein by reference.
* (b) (6)	-- Amendment No. 5, dated as of March 17, 1995, to Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, the financial institutions listed therein, Bankers Trust Company, as Agent, and First Union National Bank of North

Carolina, as Co-Agent, which was filed as Exhibit 4(a) to the Company's Quarterly Report on Form 10-Q for the Quarterly Period ended March 31, 1995, and is incorporated herein by reference.

- * (b) (7) -- Amendment No. 6, dated as of October 17, 1995, to Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, Bankers Trust Company, as Agent, and First Union National Bank of North Carolina, as Co-Agent, which was filed as Exhibit 4(a) to the Company's Quarterly Report on Form 10-Q for the Quarterly Period ended December 31, 1995, and is incorporated herein by reference.
- * (b) (8) -- Amendment No. 7, dated as of November 30, 1995, to Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, Bankers Trust Company, as Agent, and First Union National Bank of North Carolina, as Co-Agent, which was filed as Exhibit 4(b) to the Company's Quarterly Report on Form 10-Q for the Quarterly Period ended December 31, 1995, and is incorporated herein by reference.

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EXHIBIT NO.	DESCRIPTION
* (b) (9) --	Amendment No. 8, dated as of January 24, 1996, to Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, Bankers Trust Company, as Agent, and First Union National Bank of North Carolina, as Co-Agent, which was filed as Exhibit 4(c) to the Company's Quarterly Report on Form 10-Q for the Quarterly Period ended December 31, 1995, and is incorporated herein by reference.
* (b) (10) --	Amendment No. 9, dated as of June 30, 1996, to Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, Bankers Trust Company, as Agent, and First Union National Bank of North Carolina, as Co-Agent, which was filed as Exhibit 4(a) to the Company's Quarterly Report on Form 10-Q for the Quarterly Period ended June 30, 1996, and is incorporated herein by reference.
* (b) (11) --	Amendment No. 10, dated as of July 31, 1996, to Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, Bankers Trust Company, as Agent, and First Union National Bank of North Carolina, as Co-Agent, which was filed as Exhibit 4(b) to the Company's Quarterly Report on Form 10-Q for the Quarterly Period ended June 30, 1996, and is incorporated herein by reference.
* (b) (12) --	Amendment No. 11, dated as of September 3, 1996, to Second Amended and Restated Credit Agreement, dated as of May 2, 1994, among the Company, Bankers Trust Company, as Agent, and First Union National Bank of North Carolina, as Co-Agent.
(c) --	Not applicable.
(d) --	Not applicable.
(e) --	Not applicable.
(f) --	Not applicable.

*Previously filed.

**Filed with this amendment.

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SIGNATURES

After due 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.

MAGELLAN HEALTH SERVICES, INC.

By: /s/ STEVE J. DAVIS

STEVE J. DAVIS
EXECUTIVE VICE PRESIDENT --
ADMINISTRATIVE SERVICES AND GENERAL
COUNSEL

Dated: October 1, 1996

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EXHIBIT INDEX

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(c)	--	Not applicable.	
(d)	--	Not applicable.	
(e)	--	Not applicable.	

(f) -- Not applicable.

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*Previously filed.

**Filed with this amendment.

[LOGO] MAGELLAN HEALTH SERVICES

FOR IMMEDIATE RELEASE

- - - - -

Contact: Robert Mead
(212) 484-6701

MAGELLAN HEALTH SERVICES ANNOUNCES PRELIMINARY RESULTS OF
DUTCH AUCTION SELF-TENDER OFFER

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ATLANTA, GA, SEPTEMBER 19, 1996 - Magellan Health Services, Inc. (ASE: MGL) announced today that a "preliminary count" by First Union National Bank of North Carolina, the Depository for the Company's "Dutch Auction" self-tender offer indicates that, subject to final verification, approximately 3,960,000 shares of Common Stock have been tendered and accepted for purchase at a price of \$18.375 per share. Shares in excess of the limits of the tender offer will be promptly returned. Shares tendered at or below the price the Company is paying exceeded the number of shares being purchased by approximately 1,000, and to that extent, there may be a proration.

The self-tender offer commenced on August 15 and expired at 12:00 midnight eastern standard time on September 18, 1996. Prior to the tender offer, Magellan had 33,022,826 shares of Common Stock outstanding. Following the purchase of shares tendered in the "Dutch Auction," Magellan will have approximately 29,042,000 shares of Common Stock outstanding. Payment for shares properly tendered and accepted will be made promptly subject to proper delivery of shares in accordance with the terms of the offer. Dean Witter Reynolds, Inc. acted as the Dealer Manager for the tender offer.

Magellan Health Services, Inc., a Fortune 1000 company, is the country's largest integrated behavioral healthcare company. Its three business units include: Charter Behavioral Health Systems, the nation's largest and most comprehensive behavioral healthcare delivery system, with nearly 100 facilities providing a broad continuum of inpatient and outpatient care; majority-owned Green Spring Health Services, a leader in behavioral managed care services; and Magellan Public Solutions, serving the public sector with privatized behavioral health services.

3414 Peachtree Road, NE - Suite 1400 - Atlanta, GA 30326 -
(404) 341-9200 - Fax: (404) 314-5793

MAGELLAN HEALTH SERVICES

NEWS

AN INTERNATIONAL BEHAVIORAL HEALTHCARE COMPANY/3414 PEACHTREE RD., N.E.,
ATLANTA, GEORGIA 30326

FOR IMMEDIATE RELEASE

- - - - -

Contact: Robert Mead
(212) 484-6701

MAGELLAN HEALTH SERVICES ANNOUNCES FINAL RESULTS OF
DUTCH AUCTION SELF-TENDER OFFER

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ATLANTA, GA, OCTOBER 1, 1996 -- Magellan Health Services, Inc. (ASE: MGL) announced today that in accordance with the final results of its "Dutch Auction" self-tender offer, completed at 12:00 Midnight Eastern Standard Time, on September 18, 1996, the Company will purchase 3,961,505 shares of its Common Stock at a price of \$18.375 per share, which represents all shares tendered at that price.

First Union National Bank of North Carolina, the depository for the offer, will promptly issue payment for the shares accepted under the offer and return all shares not accepted.

The shares purchased represent approximately 12% of the 33,002,826 shares of Common Stock outstanding immediately prior to the offer.

After purchasing the shares, the Company has approximately 29 million shares of Common Stock outstanding.

Magellan Health Services, Inc., a Fortune 1000 company, is the country's largest integrated behavioral healthcare company. Its three business units include: Charter Behavioral Health Systems, the nation's largest and most comprehensive behavioral healthcare delivery system, with nearly 100 facilities providing a broad continuum of inpatient and outpatient care; majority-owned Green Spring Health Services, a leader in behavioral managed care services; and Magellan Public Solutions, serving the public sector with privatized behavioral health services.

* * *