

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Reimer Eric</u> (Last) (First) (Middle) <u>55 NOD ROAD</u> (Street) <u>AVON CT 06001</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>MAGELLAN HEALTH SERVICES INC [MGLN]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chf Strategy & Dvlpmnt Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>09/06/2006</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Ordinary Common Stock, \$0.01 par value	09/06/2006		x ⁽¹⁾		3,334	A	\$23.52	15,220	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		x ⁽¹⁾		6,666	A	\$12.39	21,886 ⁽²⁾	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		900	D	\$43	20,986	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		100	D	\$42.98	20,886	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		1,702	D	\$42.97	19,184	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		300	D	\$42.93	18,884	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		100	D	\$42.92	18,784	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		200	D	\$42.91	18,584	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		799	D	\$42.9	17,785	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		600	D	\$42.89	17,185	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		360	D	\$42.88	16,825	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		200	D	\$42.87	16,625	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		140	D	\$42.86	16,485	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		601	D	\$42.84	15,884	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		199	D	\$42.81	15,685	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		300	D	\$42.8	15,385	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		300	D	\$42.77	15,085	D	
Ordinary Common Stock \$0.01 par value	09/06/2006		s ⁽¹⁾		2,042	D	\$42.76	13,043	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		500	D	\$42.74	12,543	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		100	D	\$42.73	12,443	D	
Ordinary Common Stock, \$0.01 par value	09/06/2006		s ⁽¹⁾		557	D	\$42.71	11,886	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Option (right to buy)	\$23.52	09/06/2006		X ⁽¹⁾			3,334	01/05/2006 ⁽³⁾	01/05/2014	Common Stock	3,334	\$0 ⁽⁴⁾	6,668	D	
Stock Option (right to buy)	\$12.39	09/06/2006		X ⁽¹⁾			6,666	01/05/2006 ⁽⁵⁾	01/05/2014	Common Stock	6,666	\$0 ⁽⁴⁾	19,998	D	

Explanation of Responses:

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. Includes 11,886 shares of stock owned prior to this transaction as well as 3,334 shares acquired as part of transaction reported above.
3. Remainder of 6,668 options in this tranche vest and become exercisable in one half increments on January 5 of 2007 and 2008.
4. No price was applicable to the acquisition of this security.
5. Of the remainder of 19,998 options in this tranche, one third vest on January 5, 2007 and two thirds vest on January 5, 2008.

/s/ Eric Reimer

09/07/2006

** Signature of Reporting Person Date

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

* 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).

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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