

**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**

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*			2. Issuer Name and Ticker or Trading Symbol		5. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
<u>DEMILIO MARK S</u>			<u>MAGELLAN HEALTH SERVICES INC [</u>		Director 10% Owner	
(Last)	(First)	(Middle)	<u>MGLN ]</u>		X Officer (give title below) Other (specify below)	
<u>C/O MAGELLAN HEALTH SERVICES, INC.</u>			3. Date of Earliest Transaction (Month/Day/Year)		<u>Executive VP and CFO</u>	
<u>16 MUNSON ROAD</u>			<u>03/10/2005</u>			
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line)	
<u>FAIRFIELD CT 06032</u>					X Form filed by One Reporting Person	
(City)	(State)	(Zip)			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 <sup>(1)</sup>	03/10/2005		A <sup>(2)</sup>		9,780	A	(3)	43,397	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)
						Date Exercisable	Expiration Date					
Stock Option (right to buy) <sup>(1)</sup>	\$34.57	03/10/2005		A	79,300	(4)	03/10/2015	Ordinary Common Stock	79,300	\$0 <sup>(5)</sup>	79,300	D

**Explanation of Responses:**

- Granted pursuant to the Company's Management Incentive Plan.
- Restricted stock vests in 25% increments on March 10, of each of 2006, 2007, 2008 and 2009.
- Grant of restricted stock.
- Options vest, and become exercisable in 25% increments on March 10, of each of 2006, 2007, 2008 and 2009.
- The zero ("0") in this column is a "dummy" amount, solely for the purpose of permitting the use of the following explanation: No price was applicable to the acquisition of this security.

/s/ Mark S. Demilio03/14/2005

\*\* 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.

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 Number.