

**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

<b>1. Name and Address of Reporting Person*</b> <u>SHULMAN STEVEN J</u>  (Last) (First) (Middle) <u>55 NOD ROAD</u>  (Street) <u>AVON CT 06001</u>  (City) (State) (Zip)			<b>2. Issuer Name and Ticker or Trading Symbol</b> <u>MAGELLAN HEALTH SERVICES INC [ MGLN ]</u>  <b>3. Date of Earliest Transaction (Month/Day/Year)</b> <u>01/03/2007</u>  <b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>			<b>5. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chairman and CEO</u>  <b>6. Individual or Joint/Group Filing (Check Applicable Line)</b> <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
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**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	01/03/2007		S <sup>(1)</sup>		197	D	\$43.28	130,085	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		300	D	\$43.26	129,785	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		1,838	D	\$43.25	127,947	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		100	D	\$43.24	127,847	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		400	D	\$43.23	127,447	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		100	D	\$43.22	127,347	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		300	D	\$43.21	127,047	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		1,400	D	\$43.2	125,647	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		100	D	\$43.19	125,547	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		392	D	\$43.18	125,155	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		300	D	\$43.17	124,855	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		300	D	\$43.16	124,555	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		300	D	\$43.15	124,255	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		508	D	\$43.13	123,747	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		600	D	\$43.12	123,147	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		611	D	\$43.11	122,536	D	
Ordinary Common Stock, \$0.01 par value	01/03/2007		S <sup>(1)</sup>		289	D	\$43.08	122,247	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		Date Exercisable	Expiration Date					
						(A) (D)			Title Amount or Number of Shares				

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.

/s/ Steven Shulman

01/04/2007

\*\* 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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