ATHENAHEALTH INC

Form 4 March 03, 2011

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL

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if no longer subject to Section 16. Form 4 or Form 5

Check this box

Form 4 or
Form 5
obligations
may continue.

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

1(b).

(Print or Type Responses)

See Instruction

1. Name and Add KAHANE ST	•	ing Person *	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
			ATHENAHEALTH INC [ATHN]	(Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction			
			(Month/Day/Year)	Director 10% Owner		
311 ARSENAL STREET			03/01/2011	X Officer (give title Other (specify below) President, Enterprise Services		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
WATERTOWN, MA 02472			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reportin Person		
(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acc	quired, Disposed of, or Beneficially Owned		

(City)	(State)	Zip) Table	I - Non-D	erivative S	ecurit	ies Acq	uired, Disposed o	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	. Transaction Date 2A. Deemed Month/Day/Year) Execution Date, if any (Month/Day/Year)		3. 4. Securities Acquired Transaction(A) or Disposed of Code (D) (Instr. 8) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following	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	Reported Transaction(s) (Instr. 3 and 4)		
Common Stock	03/01/2011		A	81,000 (1)	A	\$ 0	81,000	D	
Common Stock	03/01/2011		A	38,000 (2)	A	\$0	119,000	D	
Common Stock	03/01/2011		A	2,200 (1)	A	\$0	121,200	D	

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

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number.

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 or 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)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 45.1	03/01/2011		A	18,000	(3)	03/01/2021	Common Stock	18,000
Stock Option (Right to Buy)	\$ 45.1	03/01/2011		A	19,000	<u>(4)</u>	03/01/2021	Common Stock	19,000

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

KAHANE STEPHEN N 311 ARSENAL STREET WATERTOWN, MA 02472

President, Enterprise Services

Signatures

/s/ Daniel H. Orenstein Attorney-in-Fact

03/03/2011

**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) Represents an award of restricted stock units pursuant to the Issuer's 2007 Stock Option and Incentive Plan. The restricted stock units vest in four equal annual installments beginning on the first anniversary of the grant date.
- Represents an award of performance-based restricted stock units pursuant to the Issuer's 2007 Stock Option and Incentive Plan. The

 (2) restricted stock units vest based upon the attainment of pre-established performance metrics on each March 1 following the performance periods, 2011-2012, 2013, and 2014.
- (3) The option vests in four equal annual installments beginning on the first anniversary of the grant date.

Reporting Owners 2

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(4) The performance-based option vests based upon the attainment of pre-established performance metrics on each March 1 following the performance periods, 2011-2012, 2013, and 2014.

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