

ATHENAHEALTH INC  
Form 4  
March 03, 2011

**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 OF SECURITIES**

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
KAHANE STEPHEN N

(Last) (First) (Middle)  
311 ARSENAL STREET  
(Street)  
WATERTOWN, MA 02472

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ATHENAHEALTH INC [ATHN]

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/01/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
\_\_X\_\_ Officer (give title below) \_\_\_ Other (specify below)  
President, Enterprise Services

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_X\_\_ 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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	03/01/2011		A		81,000 (1) \$ 0	D	
Common Stock	03/01/2011		A		38,000 (2) \$ 0	D	
Common Stock	03/01/2011		A		2,200 (1) \$ 0	D	

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

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(9-02)

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 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)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 45.1	03/01/2011		A	18,000	<u>(3)</u> 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.
  - (2) Represents an award of performance-based restricted stock units pursuant to the Issuer's 2007 Stock Option and Incentive Plan. The 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.

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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.

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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