

Hedges Derek
Form 4
February 24, 2011

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Hedges Derek

(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)

02/23/2011

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)

SVP Business Development

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 Indirect Beneficial (Instr. 4)
Common Stock	02/23/2011		M	3,750 A	\$ 7.39 11,833	D	
Common Stock	02/23/2011		M	2,500 A	\$ 32.72 14,333	D	
Common Stock	02/23/2011		M	5,000 A	\$ 25.67 19,333	D	
Common Stock	02/23/2011		S	12,199 D	\$ 45.72 7,134 (1)	D	
Common Stock	02/23/2011		S	100 D	\$ 46.06 7,034	D	

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Common Stock 02/23/2011 S 100 D \$ 46.12 6,934 D

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

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(9-02)

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)	\$ 7.39	02/23/2011		M	3,750	01/01/2008 03/15/2017	Common Stock	3,750
Stock Option (Right to Buy)	\$ 32.72	02/23/2011		M	2,500	01/07/2009 03/03/2018	Common Stock	2,500
Stock Option (Right to Buy)	\$ 25.67	02/23/2011		M	5,000	01/05/2010 03/02/2019	Common Stock	5,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hedges Derek 311 ARSENAL STREET WATERTOWN, MA 02472			SVP Business Development	

Signatures

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

02/24/2011

__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).

This price represents the weighted average of sales ranging from \$45.05 to \$46.04. Upon request by the Commission staff, the Issuer, or a

- (1) security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares sold at each separate price.

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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