

Hedges Derek
 Form 4
 February 23, 2012

FORM 4

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

OMB APPROVAL

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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 *
 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)
 02/21/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

SVP Business Development

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/21/2012		M		4,350	A	\$ 36.78
Common Stock	02/21/2012		M		2,500	A	\$ 32.72
Common Stock	02/21/2012		M		5,000	A	\$ 25.67
Common Stock	02/21/2012		S		11,850	D	\$ 66.64
Common Stock	02/21/2012		S		684	D	\$ 66.61

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Common Stock	02/21/2012	S	700	D	\$ 66.59	18,037	D
Common Stock	02/21/2012	S	1,293	D	\$ 67.18	16,744	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)	\$ 36.78	02/21/2012		M	4,350	02/15/2011 04/01/2020	Common Stock	4,350
Stock Option (Right to Buy)	\$ 32.72	02/21/2012		M	2,500	01/07/2009 03/03/2018	Common Stock	2,500
Stock Option (Right to Buy)	\$ 25.67	02/21/2012		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

02/23/2012

__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).

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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