

Orenstein Daniel H.
 Form 3
 July 08, 2010

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â Orenstein Daniel H. | | (Month/Day/Year) | ATHENAHEALTH INC [ATHN] | |
| (Last) | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| | | | | |
| 311 ARSENAL STREET | | | (Check all applicable) | |
| (Street) | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| WATERTOWN,Â MAÂ 02472 | | | <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| (City) | (State) | (Zip) | (give title below) (specify below) | <input type="checkbox"/> Form filed by More than One Reporting Person |
| | | | SVP, GC, and Secretary | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock | 3,231 ⁽¹⁾ | D | Â |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) or Indirect | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|--|--|---|
| | Date Exercisable | Expiration Date | Title | Amount or Number of | |

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| | | | | Shares | | (I) (Instr. 5) | |
|-----------------------------|---------------------------|------------|--------------|--------|----------|-------------------|---|
| Stock Option (Right to Buy) | 06/01/2006 ⁽²⁾ | 07/21/2015 | Common Stock | 1,334 | \$ 3.8 | D | Â |
| Stock Option (Right to Buy) | 01/09/2007 ⁽³⁾ | 02/28/2016 | Common Stock | 250 | \$ 5.26 | D | Â |
| Stock Option (Right to Buy) | 01/01/2008 ⁽⁴⁾ | 03/15/2017 | Common Stock | 3,750 | \$ 7.39 | D | Â |
| Stock Option (Right to Buy) | 01/07/2009 ⁽⁵⁾ | 03/03/2018 | Common Stock | 2,500 | \$ 32.72 | D | Â |
| Stock Option (Right to Buy) | 07/01/2009 ⁽⁶⁾ | 07/01/2018 | Common Stock | 30,000 | \$ 30.64 | D | Â |
| Stock Option (Right to Buy) | 01/05/2010 ⁽⁷⁾ | 03/02/2019 | Common Stock | 2,000 | \$ 25.67 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Orenstein Daniel H. 311 ARSENAL STREET WATERTOWN, MA 02472 | Â | Â | Â SVP, GC, and Secretary | Â |

Signatures

/s/ Daniel H. Orenstein 07/08/2010

__Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(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).

- 3,200 of these shares represent restricted stock units issued pursuant to the Issuer's 2007 Stock Option and Incentive Plan. Subject to
- (1) Reporting Person's continued employment with Issuer, the restricted stock units vest in four equal annual installments beginning on February 15, 2011, until fully vested on February 15, 2014.
 - (2) The Reporting Person was originally granted an option to purchase 5,000 shares and has to date exercised that option to purchase 3,666 of those shares. The remaining 1,334 shares are fully vested and exercisable.
 - (3) The Reporting Person was originally granted an option to purchase 500 shares and has to date exercised that option to purchase 250 of those shares. The remaining 250 shares are fully vested and exercisable.
 - (4) The Reporting Person was originally granted an option to purchase 5,000 shares and has to date exercised that option to purchase 1,250 of those shares. Subject to the Reporting Person's continued employment with the Issuer, the option vests and becomes exercisable in four equal annual installments beginning on January 1, 2008, until fully vested and exercisable on January 1, 2011.
 - (5) Subject to the Reporting Person's continued employment with the Issuer, the option vests and becomes exercisable in four equal annual installments beginning on January 7, 2009, until fully vested and exercisable on January 7, 2012.
 - (6) Subject to the Reporting Person's continued employment with the Issuer, the option vests and becomes exercisable in four equal annual installments beginning on July 1, 2009, until fully vested and exercisable on July 1, 2012.

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- (7) Subject to the Reporting Person's continued employment with the Issuer, the option vests and becomes exercisable in four equal annual installments beginning on January 5, 2010, until fully vested and exercisable on January 5, 2013.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.