Hedges Derek Form 4 February 24, 2011

FORM 4

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

OMB Number: 3235-0287

Estimated average

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005

OMB APPROVAL

Form 4 or Form 5 obligations may continue. See Instruction

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

burden hours per response... 0.5

1(b).

(Print or Type Responses)

2. Issuer Name and Ticker or Trading Symbol ATHENAHEALTH INC [ATHN]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
3. Date of Earliest Transaction	(Check an appheasie)		
(Month/Day/Year)	Director 10% Owner		
02/23/2011	X Officer (give title Other (specify below)		
	SVP Business Development		
4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
	Symbol ATHENAHEALTH INC [ATHN] 3. Date of Earliest Transaction (Month/Day/Year) 02/23/2011 4. If Amendment, Date Original		

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

		Tabl	e i - Moli-D	elivative s	occur.	nes Acqu	iii cu, Disposcu oi	, or beneficial	y Owneu
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)	or(A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of 6. Securities Ownership Form: Direct Owned (D) or Following Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)	(Instr. 4)	
Common Stock	02/23/2011		M M	3,750	A		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 (1)	7,134	D	
Common Stock	02/23/2011		S	100	D	\$ 46.06	7,034	D	

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

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. Transactio Code (Instr. 8)	5. Number proof 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)	\$ 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

WATERTOWN, MA 02472

Reporting Owner Name / Address	Relationships						
noporomig o who i tumo / i zuur oss	Director	10% Owner	Officer	Other			
Hedges Derek							
311 ARSENAL STREET			SVP Business Development				

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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 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. 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.

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