

HOLSTER ROBERT M  
Form 4  
October 12, 2006

**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 \*  
**HOLSTER ROBERT M**

2. Issuer Name and Ticker or Trading Symbol  
**HMS HOLDINGS CORP [HMSY]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**401 PARK AVENUE SOUTH**  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**10/10/2006**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**CEO and Chairman of the Board**

**NEW YORK, NY 10016**

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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	10/10/2006 <sup>(1)</sup>		M	10,000 A \$ 1.19	67,314	D	
Common Stock	10/10/2006 <sup>(1)</sup>		S	10,000 D \$ 12.45	57,314	D	
Common Stock					13,773	I	Held in Trust for Son <sup>(2)</sup>
Common Stock					14,223	I	Held in Trust for Son <sup>(3)</sup>
					8,000	I	

Common  
Stock

Held by  
Spouse

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 Security (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date		
Non-Qualified Stock Option (right to buy)	\$ 1.19	10/10/2006 <sup>(1)</sup>		M	10,000		<sup>(4)</sup>	03/30/2011	Common Stock	10
Incentive Stock Option (right to buy)	\$ 2.48						<sup>(5)</sup>	12/12/2011	Common Stock	75
Incentive Stock Option (right to buy)	\$ 3.41						<sup>(5)</sup>	12/19/2012	Common Stock	5
Non-Qualified Stock Option (right to buy)	\$ 3.41						<sup>(5)</sup>	12/19/2012	Common Stock	75
Incentive Stock Option (right to buy)	\$ 6.95						<sup>(5)</sup>	04/14/2015	Common Stock	29
Non-Qualified Stock Option (right to buy)	\$ 6.95						<sup>(5)</sup>	04/14/2015	Common Stock	12
Incentive Stock Option (right to buy)	\$ 2.92							11/04/2005 11/04/2013	Common Stock	33
Non-Qualified Stock Option (right to buy)	\$ 2.92							11/04/2004 11/04/2013	Common Stock	60

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HOLSTER ROBERT M 401 PARK AVENUE SOUTH NEW YORK, NY 10016	X		CEO and Chairman of the Board	

## Signatures

Robert M.  
Holster

10/11/2006

          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) Transaction pursuant to 10b5-1 sales plan executed on December 15, 2005.
- (2) Brett Holster, son of Robert, owns these shares. The reporting person disclaims beneficial ownership.
- (3) Andrew Holster, son of Robert, owns these shares. The reporting person disclaims beneficial ownership.
- (4) Options vest as follows: 100,000 vesting on first anniversary, and 75,000 at the end of each quarterly period thereafter.
- (5) Options vest in 1/3 increments, with 1/3 vesting on grant date, and 1/3 vesting on each of the next two anniversary dates.

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.