

QUADRAMED CORP  
Form 4  
March 23, 2007

**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 \*  
Milligan James R

(Last) (First) (Middle)

C/O QUADRAMED CORPORATION, 12110 SUNSET HILLS ROAD, SUITE 600

(Street)

RESTON, VA 20190

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
QUADRAMED CORP [QD]

3. Date of Earliest Transaction (Month/Day/Year)  
03/21/2007

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 - Sales & Gov't Programs

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount or Price (A) or (D)  |  |                                   |
| Common Stock                    | 03/21/2007                           |  | M                              |   | 8,750 A \$ 1.54   | 312,708 <sup>(1)</sup>                                   | D                                 |
| Common Stock                    | 03/21/2007                           |  | S                              |   | 8,750 D \$ 3  | 303,958 <sup>(1)</sup>                                   | D                                 |
| Common Stock                    | 03/21/2007                           |  | M                              |   | 908 A \$ 1.14   | 303,958 <sup>(2)</sup>                                   | D                                 |
| Common Stock                    | 03/21/2007                           |  | S                              |   | 908 D \$ 2.85   | 303,050 <sup>(2)</sup>                                   | D                                 |
| Common Stock                    |                                      |  |                                |   |   | 1,566  | I By spouse.                      |

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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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Employee Stock Option (right to buy)       | \$ 1.54  | 03/21/2007                           |  | M                              | 8,750   | <u>(3)</u> 05/25/2015                                    | Common Stock  | 8,750                         |
| Employee Stock Option (right to buy)       | \$ 1.14  | 03/21/2007                           |  | M                              | 908   | <u>(5)</u> 02/20/2013                                    | Common Stock  | 908                           |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                              |       |
|---|---------------|-----------|------------------------------|-------|
|   | Director      | 10% Owner | Officer                      | Other |
| Milligan James R<br>C/O QUADRAMED CORPORATION<br>12110 SUNSET HILLS ROAD, SUITE 600<br>RESTON, VA 20190 |               |           | SVP - Sales & Gov't Programs |       |

## Signatures

/s/ James R. Milligan 03/23/2007

\*\*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) 281,258 of such shares of common stock are issuable upon the exercise of Mr. Milligan's remaining options.
- (2) 280,350 of such shares of common stock are issuable upon the exercise of Mr. Milligan's remaining options.
- (3) The options vest in accordance with the terms of the 2004 Stock Compensation Plan; 25% vest on the first anniversary of the grant, with the remaining 75% vesting pro rata over the next thirty-six months.
- (4) Mr. Milligan was awarded the options in connection with his employment.
- (5) The options vest in accordance with the terms of the 1999 Supplemental Stock Option Plan; 25% vest on the first anniversary of the grant, with the remaining 75% vesting pro rata over the next thirty-six months.

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.