owned directly or indirectly.

Milligan James R

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)

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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	5. Ownership Form of Derivative	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Derivative Security	Security: Direct (D) or Indirect (I) (Instr. 5)	
Employee Stock Option (right to buy)	(1)	10/08/2011	Common Stock	15,000	\$ 5.15	D	Â
Employee Stock Option (right to buy)	(1)	02/20/2013	Common Stock	10,900	\$ 1.14	D	Â
Employee Stock Option (right to buy)	(1)	04/01/2014	Common Stock	10,000	\$ 3.09	D	Â
Employee Stock Option (right to buy)	(1)	05/25/2015	Common Stock	20,000	\$ 1.54	D	Â

Reporting Owners

Reporting Owner Name / Address		Relationships					
		Director	10% Owner	Officer	Other		
Milligan James R C/O QUADRAMED CORPORATION 12110 SUNSET HILLS ROAD, SUITE 600 RESTON, VA 20190		Â	Â	SVP-Enterp. Mktg & Gov't Prgms	Â		
Signatures							
/s/ James R. Milligan	02/02/2006						

**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).

The options vest in accordance with the terms of the 1999 Supplemental Stock Option Plan and 2004 Stock Compensation Plan; 25% vest (1) 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.