

QUADRAMED CORP  
Form S-8  
April 18, 2008  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-8**  
**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**QUADRAMED CORPORATION**

*(Exact Name of Registrant as Specified in its Charter)*

**Delaware**  
*(State or Other Jurisdiction of  
Incorporation or Organization)*

**52-1992861**  
*(I.R.S. Employer*

*Identification Number)*

**12110 Sunset Hills Road**

**Reston, Virginia 20190**

*(Address of Principal Executive Offices)(Zip Code)*

Edgar Filing: QUADRAMED CORP - Form S-8  
QUADRAMED CORPORATION 2004 STOCK COMPENSATION PLAN  
INDUCEMENT STOCK OPTION AGREEMENT, DATED AS OF APRIL 10, 2007, BY AND  
BETWEEN QUADRAMED CORPORATION AND BROOK A. CARLON, AS AMENDED AUGUST 9, 2007

*(Full titles of the plans)*

**Keith B. Hagen**  
**Chief Executive Officer**  
**QuadraMed Corporation**  
**12110 Sunset Hills Road**  
**Reston, Virginia 20190**

*(Name and Address of Agent for Service)*

**(703) 709-2300**

*(Telephone Number, Including Area Code, of Agent for Service)*

*Copy to:*

**Morris F. DeFeo, Jr.**  
**Kelly G. Howard**  
**Crowell & Moring LLP**  
**1001 Pennsylvania Avenue, N.W.**  
**Washington, D.C. 20004**  
**(202) 624-2500**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Edgar Filing: QUADRAMED CORP - Form S-8

Large accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company)

Accelerated filer   
 Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

<b>Title of Securities To Be Registered</b>	<b>Amount To Be Registered (1)</b>	<b>Proposed Maximum Offering Price Per Share</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee</b>
Common Stock, par value \$0.01 per share	3,000,000(2)	\$ 1.91(3)	\$ 5,730,000	\$ 225
Common Stock, par value \$0.01 per share	100,000(4)	\$ 1.91(3)	\$ 191,000	\$ 8
<b>TOTALS</b>	<b>3,100,000</b>		<b>\$ 5,921,000</b>	<b>\$ 233</b>

- (1) The amount of Common Stock registered hereunder shall be deemed to include any additional shares issuable as a result of any stock split, stock dividend or other change in the capitalization of QuadraMed Corporation (the Company).
- (2) Represents 3,000,000 shares of Common Stock added to the QuadraMed Corporation 2004 Stock Compensation Plan (the 2004 Plan) pursuant to the approval and ratification of an amendment to the 2004 Plan by the Company's stockholders on June 7, 2007.
- (3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended (the Securities Act), based upon the average of the high and low prices for a share of Common Stock reported on the American Stock Exchange as of April 15, 2008.
- (4) Represents options to purchase Common Stock granted to Brook A. Carlon, an executive officer of the Company, on May 9, 2007, Ms. Carlon's date of hire, pursuant to an Inducement Stock Option Agreement, dated as of April 10, 2007, between the Company and Ms. Carlon, as amended August 9, 2007.

**Table of Contents**

**EXPLANATORY NOTE**

Pursuant to a registration statement on Form S-8 filed with the Securities and Exchange Commission (the SEC) on August 26, 2004 (File No. 333-118581) (the Previous Registration Statement), QuadraMed Corporation, a Delaware corporation (QuadraMed, the Company, or the Registrant), registered shares of its Common Stock par value \$0.01 (Common Stock), issuable under various employee benefit plans, including shares issuable upon the exercise of awards granted and to be granted under the 2004 Stock Compensation Plan (the 2004 Plan). The contents of the Previous Registration Statement are incorporated herein by reference.

On June 7, 2007, QuadraMed's stockholders approved certain amendments to the 2004 Plan, pursuant to which the number of shares of Common Stock issuable upon the exercise of awards to be granted thereunder was increased by 3,000,000. This registration statement on Form S-8 registers such additional shares.

Furthermore, this registration statement registers 100,000 shares of QuadraMed Corporation Common Stock underlying stock options granted to Brook A. Carlon, on May 9, 2007 upon her hiring by the Company as Senior Vice President of Human Resources, pursuant to an Inducement Stock Option Agreement, dated as of April 10, 2007, between the Company and Ms. Carlon, as amended August 9, 2007.

This registration statement contains two parts. The first part constitutes a reoffer prospectus, prepared on Form S-8, in accordance with General Instruction C to Form S-8, to be used in connection with reoffers and resales of the securities acquired under the 2004 Plan and the foregoing agreement between the Company and Ms. Carlon. The second part contains information required in the registration statement pursuant to Part II of Form S-8. The information required by Part I of Form S-8 is omitted from this registration statement in accordance with Rule 428 of the Securities Act and the instructions of Form S-8.

**Table of Contents**

**REOFFER PROSPECTUS**

**QuadraMed Corporation**

**3,100,000 Shares of Common Stock**

**(Par value \$0.01 per share)**

This prospectus may be used by (i) the named stockholder, Brook A. Carlon, and (ii) other persons to whom we have previously issued, or may issue in the future, shares of our common stock, par value \$0.01 per share, under awards of stock options and restricted shares of common stock granted under our 2004 Stock Compensation Plan (all such persons, including Ms. Carlon, the Selling Stockholders ) to sell a maximum of 3,100,000 shares of our common stock, par value \$0.01 per share (the Shares ). Ms. Carlon was granted options to purchase 100,000 Shares on May 9, 2007, her date of hire, pursuant to an Inducement Stock Option Agreement, dated as of April 10, 2007, made by and between the Company and Ms. Carlon, as amended August 9, 2007 (such Inducement Stock Option Agreement as amended and the awards of stock options and restricted shares of common stock granted under our 2004 Stock Compensation Plan are collectively referred to as the Compensation Arrangements ). The Selling Stockholders, who are listed in the section of this prospectus entitled Selling Stockholders, may offer these Shares for resale from time to time. We will not receive any of the proceeds from the sale of the Shares. We will pay all of the expenses associated with this prospectus. The Selling Stockholders will pay the other costs, if any, associated with the sale of the Shares.

The Selling Stockholders may sell the Shares covered by this prospectus through various means, including directly or indirectly to purchasers, in one or more transactions on any stock exchange or stock market on which the Shares are traded at the time of sale, in privately negotiated transactions, or through a combination of these methods. These sales may be at fixed prices, which may change, at market prices available at the time of sale, at prices based on the available market price at the time of sale, or at negotiated prices. If the Shares are sold through underwriters, broker-dealers or agents, these parties may be compensated for their services in the form of discounts or commissions, which is deemed to be underwriting compensation. Such underwriting compensation shall be the sole responsibility of the Selling Stockholders. If required, the Selling Stockholders will disclose the names of any underwriter(s), applicable commissions or discounts, and any other required information with respect to any particular sales in an accompanying prospectus supplement. For additional information on the Selling Stockholders possible methods of sale, you should refer to the section in this prospectus entitled Plan of Distribution.

We have prepared this prospectus for the sole purpose of registering the Shares under the Securities Act in order to allow the Selling Stockholders to offer and sell the Shares to the public, subject to any contractual limitations on the Selling Stockholders.

Our common stock is currently traded on the American Stock Exchange (symbol: QD). On April 15, 2008, the high and low prices for our common stock were \$1.94 and \$1.88 per share, respectively.

**Investing in our common stock involves risks that are described in the Risk Factors section of this prospectus beginning on page 3.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is April 18, 2008.**

**Table of Contents**

**TABLE OF CONTENTS**

<u>Where You Can Find More Information</u>	1
<u>Incorporation of Certain Documents by Reference</u>	2
<u>Our Company</u>	3
<u>Risk Factors</u>	3
<u>Cautionary Note Regarding Forward-Looking Statements</u>	12
<u>Use of Proceeds</u>	12
<u>Selling Stockholders</u>	13
<u>Plan of Distribution</u>	14
<u>Legal Matters</u>	15
<u>Experts</u>	15

Unless we state otherwise, we, us, our, the Company and QuadraMed refer to QuadraMed Corporation, including all of our subsidiaries. Unless otherwise indicated, industry data in this prospectus is derived from publicly available sources, which we have not independently verified.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with any information that is different from the information contained in this prospectus. The Selling Stockholders are offering to sell, and seeking offers to buy, the Shares only in jurisdictions where such offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of the delivery of this prospectus or of any sale of the Shares. Our business, financial condition, results of operation and prospects may have changed since that date.

**WHERE YOU CAN FIND MORE INFORMATION**

We have filed with the Securities and Exchange Commission ( SEC ) a registration statement on Form S-8 relating to the Compensation Arrangements, including exhibits, under the Securities Act of 1933 with respect to the Shares covered by this prospectus. This prospectus does not contain all of the information and exhibits set forth in the registration statement. For further information regarding QuadraMed Corporation and the Shares offered by this prospectus, we refer you to the registration statement. With respect to each such document filed with the SEC as an exhibit to the registration statement, reference is made to the exhibit for a more complete description of the matter involved.

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act ), and we file quarterly and annual reports, proxy statements and other information with the SEC. You may read and copy any document that we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Our SEC filings are also available to the public from the SEC's website at www.sec.gov and on our website, www.quadramed.com, where all of our current SEC filings can be accessed free of charge as soon as reasonably practicable after they are filed with the SEC. Our SEC filings are also available at the office of the American Stock Exchange. For further information on obtaining copies of our public filings at the American Stock Exchange, please call 212-306-1331.

**Table of Contents**

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

We have previously filed the following documents with the SEC, and they are incorporated by reference in this prospectus:

- (1) QuadraMed Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2007, filed with the SEC on March 14, 2008;
- (2) QuadraMed Corporation's Current Reports on Form 8-K, filed with the SEC on February 4, 2008, February 7, 2008, February 13, 2008, March 12, 2008, March 18, 2008, April 1, 2008 and April 15, 2008;
- (3) QuadraMed Corporation's Current Report, as amended, on Form 8-K/A, filed with the SEC on November 9, 2007; and
- (4) The description of the terms, rights and provisions applicable to the common stock contained in QuadraMed's registration statement No. 001-32283 on Form 8-A, filed with the SEC on August 17, 2004 pursuant to Section 12 of the Exchange Act.

All of the documents that we subsequently file under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all Shares offered by this prospectus have been sold or which deregisters all Shares then remaining unsold, are incorporated by reference into this prospectus.

You can request a copy of these documents, including exhibits, at no cost, by writing or telephoning us at the following address:

QuadraMed Corporation

12110 Sunset Hills Road

Reston, Virginia 20190

703-709-2300

Attn: Corporate Secretary

Any statement which is contained in a document incorporated or considered to be incorporated by reference in this prospectus is considered to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document which also is or is considered to be incorporated by reference in this prospectus modifies or supersedes such statement. Any such statement so modified or superseded may not be considered, except as so modified or superseded, to be a part of this prospectus.

**Table of Contents**

**OUR COMPANY**

QuadraMed Corporation ( QuadraMed or the Company ) is a Delaware corporation based at 12110 Sunset Hills Road, Reston, Virginia. The Company was incorporated in 1993 and reincorporated in Delaware in 1996. We do business directly and through our subsidiaries, all of which are wholly owned and operated under common management. The Company considers itself to be a single reporting segment, specifically the software segment.

The business mission of QuadraMed is to advance the success of hospitals and other healthcare organizations through healthcare information technology ( HIT ) that leverages quality care into positive financial outcomes. Organizations such as hospitals, hospital-based clinics, local and regional delivery networks and governmental agencies, including the Veteran s Administration ( VA ), use our solutions to provide high quality care, improve their operational efficiencies and achieve better financial performance.

For healthcare providers, clinical information and quality measurements are becoming drivers of reimbursement. Our portfolio of Care-Based Revenue Cycle ( CBRC ) solutions are designed to leverage better care into positive financial outcomes. As evolving reimbursement scenarios challenge hospitals by linking quality of care to appropriate payment, we believe that our CBRC solutions will become increasingly competitive as they help our clients attain significant operational and financial improvement. Our CBRC solutions automate access management, care management, health information and patient revenue management as an integrated enterprise-wide solution, and we believe will provide QuadraMed a distinct advantage relative to our competition.

**RISK FACTORS**

An investment in the Shares involves a high degree of risk. In considering whether to purchase the Shares, you should carefully consider the following factors and other information set forth in this prospectus. The risks set forth below are in addition to risks that apply to most businesses.

**We Have Incurred Losses from Continuing Operations for Several Years Prior to 2006. Our Losses Have In the Past Adversely Affected Our Ability to Compete.**

While we had income from continuing operations of \$63.0 million and \$11.9 million for the years ended December 31, 2007 and 2006, respectively, we incurred losses from continuing operations of \$1.5 million, \$34.8 million, and \$19.0 million for the years ended December 31, 2005, 2004, and 2003, respectively.

Our historical losses have in the past impaired our ability to make substantial product investments and to market our products and services in competition against companies that are more profitable. If we are unable to sustain profitability, it may impair our ability to compete effectively.



**Table of Contents**

**Failure to Maintain Effective Internal Controls Could Have a Material Adverse Effect on Our Business, Operating Results and Stock Price.**

We have documented and tested our internal control procedures in connection with Section 404 of the Sarbanes-Oxley Act of 2002. Our annual management assessment of the effectiveness of our internal control over financial reporting may be found under *Item 9A. Controls and Procedures* of our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, filed with the SEC on March 14, 2008 (the 2007 Form 10-K ) and the attestation of our auditors as a result of their audit of our internal control over financial reporting may be found at page F-3 Report of Independent Registered Public Accounting Firm of the 2007 Form 10-K. As reported under Item 9A of the 2007 Form 10-K, our management believes that our internal control over financial reporting and disclosure controls and procedures were effective as of December 31, 2007.

However, as a result of the control deficiencies and material weaknesses in internal control over financial reporting and in our disclosure controls and procedures as of December 31, 2004 and as of the end of each quarter in 2005 through September 30, 2005 identified by our management and reported by our management and our auditors (in our Annual Report on Form 10-K for the fiscal year ended December 31, 2005, filed with the SEC on March 16, 2006, as amended by Amendment No. 1, filed with the SEC on August 17, 2006; in our Annual Report on Form 10-K for the fiscal year ended December 31, 2004, filed with the SEC on March 25, 2005, as amended by Amendment No. 1, filed with the SEC on April 29, 2005, and Amendment No. 2, filed with the SEC on January 4, 2006; and in the Company's Quarterly Reports on Form 10-Q, filed with the SEC on May 10, 2005 (as amended and filed on January 4, 2006), August 9, 2005 and November 9, 2005), during 2005, the Company invested significant time and resources to remediate such material weaknesses, and as such, there were significant changes in our internal control over financial reporting during 2005 that materially affected our internal control over financial reporting in a positive way.

These changes were aimed at eliminating internal control deficiencies in both the Company's revenue and closing cycles. If we fail to maintain the adequacy of our internal control over financial reporting and disclosure controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. Moreover, effective internal controls, particularly those related to revenue recognition, are important in helping ensure that we produce reliable financial reports and prevent financial fraud. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information and the trading price of our stock could drop significantly.

## **Table of Contents**

### **Our Ability to Borrow or Issue Additional Shares of Preferred Stock Is Restricted by the Terms of Our Series A Preferred Stock.**

The Certificate of Designation governing our Series A Preferred Stock provides that so long as at least 600,000 shares of Series A Preferred Stock are outstanding, at least 66<sup>2</sup>/<sub>3</sub>% of the votes entitled to be cast by the holders of the Series A Preferred Stock shall be required to approve the incurrence by QuadraMed of any long-term senior indebtedness of QuadraMed in an aggregate principal amount exceeding \$8,000,000, excluding certain prior existing indebtedness. Furthermore, the Certificate of Designation requires the affirmative vote of a majority of any outstanding shares of the Series A Preferred Stock prior to the authorization or creation of, or increase in the authorized amount of, any shares of any class or series (or any security convertible into shares of any class or series) ranking senior to or on par with the Series A Preferred Stock in the distribution of assets upon any liquidation, dissolution or winding up of QuadraMed or in the payment of dividends. This may hinder or delay our ability to borrow funds or issue preferred stock.

### **We Could Experience a Significant Impact on Our Revenue if Our Customers Do Not Renew Maintenance Contracts.**

We derive a significant percentage of our revenue, including 44% of our total revenue for fiscal year 2007, from maintenance services. We provide maintenance services under maintenance contracts to many of our customers in connection with our healthcare information technology products. In general, these maintenance contracts renew on an annual basis. If a significant portion of these maintenance contracts were not renewed, our maintenance revenues would decline which could have a material adverse effect on our total revenue for the period(s) in which the maintenance contracts were discontinued.

### **Future Sales in the Public Market of the Common Stock, Underlying our Series A Preferred Stock, Warrants or Option Exercises and Sales Could Lower Our Stock Price.**

A substantial number of shares of our common stock are issuable upon the exercise of stock options and warrants and upon conversion of our Series A Preferred Stock. We cannot predict the effect, if any, those future sales of such shares of common stock, or the availability of shares of common stock for future sale, will have on the market price of our common stock. Sales of substantial amounts of common stock issued or issuable upon the exercise of stock options or warrants or upon the conversion of our Series A Preferred Stock, or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

### **If Our Series A Preferred Stock is Converted into Common Stock, these Converting Stockholders Will Have Significant Voting Power, and They Will Have the Ability to Exert Substantial Influence Over Matters Requiring Stockholder Approval.**

Each share of our Series A Preferred Stock is convertible into 8.0645 shares of our common stock, and the Series A Preferred Stockholders may convert at any time. If all of our Series A Preferred Stock is converted into common stock, the shares issued upon this conversion will total approximately 42.5% of our outstanding common stock. In addition, many of our Series A Preferred Stockholders own common stock. Therefore, although these stockholders may not acquire majority control upon conversion of their Series A Preferred Stock, if these distinct stockholders were to act together, they will have the ability to exert substantial influence over all matters requiring approval of our stockholders, including the election and removal of directors, the approval of mergers or other business combinations, and other significant corporate actions. This ability to influence our affairs might not be advantageous to our other stockholders.

### **Our Inability to Protect Our Intellectual Property Could Lead to Unauthorized Use of Our Products, which Could Have an Adverse Effect on Our Business.**

We rely on a combination of trade secret, copyright and trademark laws, nondisclosure, non-compete and other contractual provisions to protect our proprietary rights. In 2001, we filed our first patent application covering our developed technology, the Affinity CPOE software application. This application lapsed, and we have no patents. Measures taken by us to protect our intellectual property may not be adequate, and our competitors could independently develop products and services that are substantially equivalent or superior to our products and services. Any infringement or misappropriation of our proprietary software and databases could put us at a competitive disadvantage in a highly competitive market and could cause us to lose revenues, incur substantial litigation expense and divert management's attention from other operations.

## **Table of Contents**

### **We are Dependent Upon Third-Party Software Licenses in Connection with the Sale of Our Software. If These Licenses Are Not Renewed or Are Terminated, We May Not Be Able to Continue to Use the Related Technology on Commercially Reasonable Terms or at All.**

We depend on licenses from a number of third-party vendors for certain technology, including the computer hardware, operating systems, database management systems, programming language and runtime environment upon which we develop and operate our products. We are materially reliant upon licenses with the following third-party vendors: InterSystems Corporation, Document Storage Systems, Inc., Megas Corporation, Unicor Medical, Oracle, Microsoft, Quovadx, the American Medical Association and the American Hospital Association. Most of these licenses expire within three to five years. Such licenses can be renewed only by mutual consent and may be terminated if we breach the license terms and fail to cure the breach within a specified time period. If such licenses are terminated, we may not be able to continue using the technology on commercially reasonable terms or at all. As a result, we may have to discontinue, delay or reduce product shipments until equivalent technology is obtained, which could have a material adverse effect on our business, financial condition and results of operations. However, as all application software companies, including QuadraMed and our competitors, are reliant on licensed technology and third-party components, we believe our reliance on such technology and licenses does not place us at a competitive disadvantage.

At present, there is no equivalent technology for the InterSystems Corporation technology which is an integral component of our Patient Care and Revenue Management product line. The Company has entered into several agreements with InterSystems Corporation regarding the licensed technology relating to our Patient Care and Revenue Management product line. However, if InterSystems Corporation ceased to offer this technology and no other vendor provided the technology, we would be required to migrate our Patient Care and Revenue Management products to a new database platform or redesign our products to work with new software tools. This could be very costly and difficult to achieve and could have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that we would successfully migrate our Patient Care and Revenue Management products to a new platform.

Most of our third-party licenses are non-exclusive and competitors may obtain the same or similar technology. In addition, if vendors choose to discontinue support of the licensed technology, we may not be able to modify or adapt our products.

### **Our International Operations, Including Our Activities and Contracts in the United Kingdom, Canada and the Middle East and Our Operations in India, May Subject Us to Additional Costs and Risks.**

In February 2008, we began a new partnership with Tata Consultancy Services ( TCS ), a leading global IT services and consulting firm based in India, to supplement our resources in the product development areas of quality assurance, technical publications and software programming. While TCS is an established organization with significant experience in the product development area, we may face challenges in managing relationships such as this, integration of the TCS personnel and work product with our own, and our lack of direct control over the Indian product development. Even though our contract with TCS is denominated in U.S. dollars and TCS remains responsible for the employment and tax liabilities of the personnel working with us, we could face additional costs associated with these Indian operations in the event of changes in foreign laws, regulations and policies.

## **Table of Contents**

In addition to our existing business, our acquisition of the CPR business in September 2007 increased the number of our customers and vendors located outside the United States, including in Canada, the United Kingdom, and the Middle East. While our contracts in the Middle East are denominated in U.S. dollars, most of our contracts with Canadian and U.K. customers and vendors are denominated in Canadian dollars and British pounds sterling, respectively. As a result, unfavorable changes in foreign currency exchange rates could increase the costs of our operations in these countries, and we do not currently engage in any activities to hedge our foreign currency exposure. Further, instability in the Middle East or changes in the relations between the United States and the Middle East could increase the costs of our operations or affect our ability to maintain our customer or vendor contracts in this area.

### **If Our Products Fail to Accurately Assess, Process or Collect Healthcare Claims or Administer Managed Care Contracts, We Could Be Subject to Costly Litigation and Be Forced to Make Costly Changes to Our Products.**

Some of our products and services are used in the payment, collection, coding and billing of healthcare claims and the administration of managed care contracts. If our employees or products fail to accurately assess, process or collect these claims, customers could file claims against us. Our insurance coverage may not be adequate to cover such claims. A successful claim that is in excess of, or is not covered by, insurance coverage could adversely affect our business, financial condition and results of operations. Even a claim without merit could result in significant legal defense costs and could consume management time and resources. In addition, claims could increase our premiums such that appropriate insurance could not be found at commercially reasonable rates. Furthermore, if we were found liable, we may have to alter significantly one or more of our products, possibly resulting in additional unanticipated software development expenses.

### **Changes in Procurement Practices of Hospitals Have and May Continue to Have a Negative Impact on Our Revenues.**

A substantial portion of our revenues has been and is expected to continue to be derived from sales of software products and services to hospitals. Hospitals are slow to make changes and generally favor their existing vendor when considering an upgrade in their systems. Consolidation in the healthcare industry, particularly in the hospital and managed care markets, could decrease the number of existing or potential purchasers of products and services and could adversely affect our business. In addition, the decision to purchase our products often involves a committee approval. Consequently, it is difficult for us to predict the timing or outcome of the buying decisions of our customers or potential customers. In addition, many healthcare providers are consolidating to create integrated delivery networks with greater regional market power. Others may become participants in integrated delivery systems or integrated delivery networks through merger and acquisition activity or the formation of collaborations using the shared of a jointly owned information technology services entity, some of which may seek to implement a single electronic health information solution for participating organizations. These emerging systems IDs or IDNs or colorations could have greater bargaining power, which may lead to decreases in prices for our products, and consequently could adversely affect our business, financial condition and results of operations.

### **Changes in the Healthcare Financing and Reimbursement System Could Adversely Affect the Amount of and Manner in which Our Customers Purchase Our Products And Services.**

Changes in current healthcare financing and reimbursement systems (*e.g.*, Medicaid) could result in unplanned product enhancements, delays or cancellations of product orders or shipments, or reduce the need for certain systems. We could also have the endorsement of products by hospital associations or other customers revoked. Any of these occurrences could have a material adverse effect on our business. Alternatively, the federal government recently mandated that all but small healthcare providers submit claims to Medicare in electronic format, which may positively affect sales of our systems and products.

---

**Table of Contents**

**Healthcare Regulations and Reform Proposals Could Adversely Affect Demand for Our Products.**

The healthcare industry in the United States is subject to changing political, economic and regulatory influences that may affect the procurement practices and operations of healthcare organizations. The traditional hospital delivery system is evolving as more hospital services are being provided by niche, free standing practices and outpatient providers. The commercial value and appeal of our products may be adversely affected if the current healthcare financing and reimbursement systems were to change. During the past several years, the healthcare industry has been subject to increasing levels of governmental regulation. Proposals to reform the healthcare system have been and are being considered by the United States Congress. These proposals, if enacted, could adversely affect the commercial value and appeal of our products or change the operating environment of our customers in ways that cannot be predicted. Healthcare organizations may react to these proposals by curtailing or deferring investments, including those for our products and services. In addition, the regulations promulgated under the Health Insurance Portability and Accountability Act of 1996 ( HIPAA ) could lead healthcare organizations to curtail or defer investments in non-HIPAA related features in the next several years.

**Government Regulation of E-Prescribing and Electronic Health Record Technologies Could Increase Administrative Costs and Decrease Product Demand.**

The U.S. Department of Health and Human Services ( DHHS ) has issued final rules protecting certain eligible entities that provide electronic prescribing (e-prescribing) and electronic health record ( EHR ) items and services to certain eligible recipients. The final rules became effective October 10, 2006. The EHR safe harbor protects, among other things, donations of software or information technology. The rule requires that a recipient pay 15% of the donor s cost for the items and services and also requires that reference to the donor s cost of the items or services be included in the agreement between the parties. The safe harbor will sunset on December 31, 2013. The e-prescribing safe harbor is largely reflective of the Congressional mandate requiring its implementation under MMA. This safe harbor does not include a requirement that the provider bear 15% of costs. The EHR and e-prescribing exceptions to the physician self-referral (Stark) law are very similar to the anti-kickback safe harbors, described above, while nevertheless accounting for the differences in the underlying statutes. For example, the EHR exception requires a receiving physician to pay 15% of the cost of the items or services, and the exception will sunset in 2013.

One or more of the above-referenced rules may increase the administrative costs typically associated with the sale of our products to the extent we are required to provide more detailed cost estimates to both parties participating in a proposed donation of technology. Failure on our part to provide accurate cost estimates could lead to contractual or legal exposure. In addition, we may be asked to execute agreements between prospective donors and recipients as a third party. Such requests may require additional review and analysis. In some cases, an agreement may provide either or both parties with the option to terminate the agreement upon either a change in law or experienced counsel s opinion of the law. As these safe harbors and exceptions may be subject to ambiguity, differing interpretation, and potential future sub-regulatory guidance, and given the inherent sensitivities to achieving compliance with safe harbors and exceptions, such termination provisions may have a negative impact on contractual certainty, especially in the context of certain longer-term arrangements, including servicing arrangements.

Customer frustration with the compliance obligations associated with the above-referenced rules, or fear that failure to comply fully with these rules could result in legal exposure, could decrease demand for our products. Alternatively, the protection afforded by these rules for the donation of electronic health information technologies may positively affect sales of our systems and products.

**The Variability and Length of Our Sales Cycle for Our Products May Exacerbate the Unpredictability and Volatility of Our Operating Results.**

We cannot accurately forecast the timing of customer purchases due to the complex procurement decision processes of most healthcare providers and payers. How and when to implement, replace, expand or substantially modify an information system are major decisions for hospitals, and such decisions require these entities to make significant capital expenditures. As a result, we typically experience sales cycles that extend over several quarters. In particular, our Patient Care and Revenue Management software has a higher average selling price and longer sales cycle than many of our other products. As a result, we have only a limited ability to forecast the timing and size of specific sales, making the prediction of quarterly financial performance more difficult.

## Table of Contents

### **We Operate in a Highly Competitive Market.**

Competition for our products and services is intense and is expected to increase. Increased competition could result in reductions in our prices, gross margins and market share and have a material adverse effect on our business, financial condition and results of operations. We compete with other providers of healthcare information software and services, as well as healthcare consulting firms. Some competitors have formed business alliances with other competitors that may affect our ability to work with some potential customers. In addition, if some of our competitors merge, a stronger competitor may emerge. Some principal competitors include:

In the market for healthcare information systems: Epic Corporation, McKesson Corporation, Inc., Siemens Health Services, a division of Siemens Medical Solutions of Siemens AG, MediTech Corporation, Eclipsys Corporation and Cerner;

In the market for electronic document management products: McKesson Corporation, SoftMed Corporation Inc., FileNet, Streamlined Health, MedPlus and Eclipsys Corporation;

In the market for Smart Identity Management products and services: Initiate Systems, Inc., McKesson Corporation, Siemens Health Services, a division of Siemens Medical Solutions of Siemens AG, and Medibase;

In the market for decision support products: Eclipsys Corporation, Healthcare Microsystems, Inc., a division of Health Management Systems Inc., McKesson Corporation, Siemens Health Services, a division of Siemens Medical Solutions of Siemens AG, and MediQual Systems, Inc., a division of Cardinal Health, Inc.; and

In the market for coding, compliance, data, and record management products in the Health Information Management Software Division: 3M Corporation, SoftMed Corporation, Inc (recently acquired by 3M Corporation), MetaHealth, Eclipsys Corporation and HSS, Inc., an Ingenix Corporation.

Prospective customers may evaluate our products' capabilities against the merits of their existing information systems and expertise and decide to stay with their incumbent vendor due to the cost associated with conversion. In addition, existing and prospective customers may be reluctant to buy from us because of the losses we have incurred in past years.

Many of our current and potential competitors have significantly greater financial, technical, product development, marketing and other resources, and market recognition than we have. These competitors may be in a position to devote greater resources to the development, promotion and sale of their products than we can. Our competitors also have, or may develop or acquire, substantial installed customer bases in the healthcare industry. As a result of these factors, our competitors may be able to respond more quickly to new or emerging technologies, changes in customer requirements and changes in the political, economic or regulatory environment in the healthcare industry.

### **We Have Encountered Significant Challenges Integrating Acquired Businesses, and Future Transactions May Adversely Affect Our Business, Operations and Financial Condition.**

Throughout our history, we have made many acquisitions and have encountered significant challenges integrating the acquired businesses into our operations. In recent years, we have made significant progress toward that integration. However, we continue to support different technology platforms. In the future, we plan to make investments in or acquire additional complementary businesses, products, services or technologies. These investments and acquisitions, including our acquisition of the CPR assets and related business of Misys Hospital Systems, Inc., which we completed on September 23, 2007, will create new integration challenges. Some of the challenges we have encountered, and may encounter with acquisitions in the future, include:

**Table of Contents**

Interruption, disruption or delay of our ongoing business;

Distraction of management's attention from other matters;

Additional operational and administrative expenses;

Difficulty managing geographically dispersed operations;

Failure of acquired businesses to achieve expected results, resulting in our failure to realize anticipated benefits;

Write-down or reclassification of acquired assets;

Failure to retain key acquired personnel and difficulty and expense of training those retained;

Increases in compensation and stock compensation expenses resulting from newly hired employees;

Assumption of liabilities and potential for disputes with the sellers of acquired businesses;

Customer dissatisfaction or performance problems related to acquired businesses;

Failure to maintain good relations with customers or suppliers;

Exposure to the risks of entering markets in which we have no prior direct experience and to risks associated with market acceptance of acquired products and technologies; and

Platform and technical issues related to integrating systems from various acquired companies.

In the past, all of these factors have had an adverse effect on our business, financial condition and results of operations. We could also face these same challenges in the future.

**Our Laboratory Solutions are Subject to FDA Regulation. We May Be Required to Make Substantial Changes to Our Products if More of Our Products Become Subject to FDA Regulation, which Could Require a Significant Capital Investment.**

Computer products used or intended for use in the diagnosis, cure, mitigation, treatment or prevention of diseases or other conditions or that affect the structure or function of the body are subject to regulation by the U.S. Food and Drug Administration ( FDA ) under the Federal Food, Drug and Cosmetic Act ( Act ). Our Laboratory solutions are considered Class I medical devices that are regulated under the Act and amendments to the Act. While we were required to register our Laboratory solutions with the FDA, they are exempted from the FDA's more onerous and costly premarket notification procedures.

In the future, the FDA could determine that some of our products, because of their predictive aspects, are clinical decision tools and subject them to regulation, including registration and, perhaps, premarket notification requirements. Compliance with such FDA regulations could be

## Edgar Filing: QUADRAMED CORP - Form S-8

burdensome, time consuming and expensive. Other new laws and regulations affecting healthcare software development also could be enacted in the future. If so, it is possible that our costs and the length of time for product development could increase and that other unforeseeable consequences could arise.



## **Table of Contents**

### **Governmental Regulation of the Confidentiality of Patient Health Information Could Result in Our Customers Being Unable to Use Our Products Without Significant Modification, which Could Require Significant Capital Expenditures.**

There is substantial state and federal regulation of the confidentiality of patient health information and the circumstances under which such information may be used by, disclosed to, or processed by us as a consequence of our contacts with various health plans and healthcare providers. This includes state and federal requirements designed to prevent I.D. theft. Although compliance with these laws and regulations is presently the principal responsibility of our customers (*e.g.*, health plans, hospitals, physicians or other healthcare providers), regulations governing patient confidentiality rights are dynamic and rapidly evolving. As such, laws and regulations currently applicable only to certain healthcare entities could be modified so that they could directly apply to us. Additionally, changes to the laws and regulations that would require us to change our systems and our methods may be made in the future, which could require significant expenditure of capital and decrease future business prospects. Also, additional federal and state legislation governing the dissemination of patient health information may be proposed and adopted, which may also significantly affect our business. Finally, certain existing laws and regulations require healthcare entities to contractually pass on their obligations to other entities with which they do business; as such, we are indirectly impacted by various additional laws and regulations.

HIPAA is a federal law that affects the use, disclosure, transmission and storage of individually identifiable health information referred to as protected health information. As directed by HIPAA, DHHS must promulgate standards or rules for certain electronic health transactions, code sets, data security, unique identification numbers and privacy of protected health information. DHHS has issued some of these rules in final form, while others remain in development. In general, under these rules, we function as a business associate to some of our customers (who are considered to be covered entities under HIPAA). The three rules primarily relevant to us and our customers the Transactions Rule, the Privacy Rule and the Security Rule are discussed below. It is important to note that DHHS could, at any time in the future, modify any existing final rule in a manner that could require us to change our systems or operations.

DHHS published three rules under HIPAA that are primarily relevant to us and our customers: the Transactions Rule governs transactions and code set standards; the Privacy Rule governs the exchange or creation of protected health information; and the Security Rule the use, disclosure, transmission, storage and destruction of electronic protected health information.

We have completed modifications to our business practices and software offerings so that we are able to assist our customers in complying with the Transactions Rule, Privacy Rule and Security Rule. However, DHHS continues to publish change notices to the existing rules and propose new rules. There is no certainty that we will be able to respond to all such rules in a timely manner and our inability to do so could adversely affect our business.

### **Government Regulation to Adopt and Implement ICD-10-CM and ICD-10-PCS Medical Code Set Standards Could Require Substantial Modification of our Coding and Compliance Software**

The American Health Information Management Association and other prominent healthcare industry advocacy groups are calling on DHHS and the healthcare industry to take action to adopt and implement ICD-10-CM and ICD-10-PCS code sets, rules and guidelines as a replacement for current ICD-9-CM guidelines used in our software products. Adoption of these new code sets would require us to change our systems and our methods which could require a significant expenditure of software development capital and decrease future business prospects for our current product line.

**Table of Contents**

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus and documents that we incorporate by reference contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. For this purpose, any statements that are not statements of historical fact may be deemed to be forward-looking statements, including statements regarding our strategy, future operations, future expectations or future estimates, financial position and objectives of management. In some cases, you can identify forward-looking statements by terminology such as believes, anticipates, plans, should, expects, predicts, intends, estimates, may, will, could, would, continue, or the negative of those terms or comparable terminology. Not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and are subject to a number of risks, uncertainties and assumptions relating to our operations, results of operations, competitive factors, shifts in market demand and other risks and uncertainties. These statements are only predictions and we can give no assurance that such expectations will prove to be correct.

We discuss risks, uncertainties and assumptions that could cause our actual results to differ from these forward-looking statements elsewhere in this prospectus, including in the section entitled Risk Factors, and in our periodic reports filed with the SEC. These are factors that we believe could cause our actual results to differ materially from our expected and historical results.

Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of the assumptions could be inaccurate and actual results may differ from those indicated by the forward-looking statements included in this prospectus. You should not place undue reliance on these forward-looking statements. In light of the significant uncertainties inherent in the forward-looking statements included in this prospectus, you should not consider the inclusion of such information as a representation by us or anyone else that we will achieve such results. We undertake no obligation to publicly update any forward-looking statements, whether as the result of new information, future events or otherwise. You are advised, however to consult any further disclosures we make in our subsequent current reports on Form 8-K, quarterly reports on Form 10-Q, annual reports on Form 10-K and other reports filed with the SEC.

**USE OF PROCEEDS**

The Selling Stockholders will receive all of the proceeds from the resale of the Shares that may be sold using this prospectus. We will not receive any of the proceeds from the resale of these Shares.

**Table of Contents****SELLING STOCKHOLDERS**

This prospectus relates to Shares that are being registered for resale by the Selling Stockholders who have acquired, or may acquire, Shares pursuant to the Compensation Arrangements. The Selling Stockholders may resell any or all of the Shares at any time during which this prospectus is effective, subject to contractual limitations. The table below describes, as of April 15, 2008, or a subsequent date if amended or supplemented, (a) the names of the Selling Stockholders and their relationship to us during the last three years; (b) the number of shares of common stock the Selling Stockholders beneficially owned prior to this offering; (c) the number of Shares which may be offered pursuant to this prospectus by the Selling Stockholders; and (d) the amount and the percentage of our common stock that would be owned by the Selling Stockholders after completion of this offering. A person is deemed to be the beneficial owner of a security if such person has or shares the power to vote or direct the voting of such security or the power to dispose or direct the disposition of such security. A person is also deemed to be a beneficial owner of a security if that person has the right to acquire beneficial ownership within 60 days. The information contained in this table may be amended or supplemented from time to time.

Name of Seller	Relationships to Company	Number of Shares Beneficially Owned Prior to the Offering <sup>(1)</sup>	Shares to be Sold <sup>(2)</sup>	Beneficial Ownership After the Offering	
				Number of Shares	Percentage of Common Stock
Brook A. Carlon	Senior Vice President, Human Resources <sup>(3)</sup>	27,083 <sup>(4)</sup>	100,000	0	0%
Unidentified Selling Stockholders	n/a	0	3,000,000	0	0%

- (1) The number of shares beneficially owned is determined under rules promulgated by the SEC and includes (i) outstanding shares of common stock (including restricted common stock) and (ii) options for common stock that have vested or will vest within 60 days.
- (2) In order to reflect the maximum number of Shares that may be sold pursuant to this prospectus, the number of Shares to be sold includes shares of common stock subject to options which are not deemed to be currently exercisable, but which may become exercisable after the date of filing of this prospectus under the terms of those options. Such option shares cannot be sold by a Selling Stockholder unless and until such time as the options become exercisable, the options have been exercised, and the shares underlying such options have been issued to such Selling Stockholder.
- (3) Ms. Carlon has been Senior Vice President, Human Resources since May 9, 2007.
- (4) The options vest in accordance with the terms of the Inducement Stock Option Agreement, effective May 9, 2007 by and between the Company and Ms. Carlon as amended on August 9, 2007; 25% vest on the first anniversary of the grant, with the remaining 75% vesting pro rata over the next 36 months.

---

**Table of Contents**

**PLAN OF DISTRIBUTION**

We are registering a total of 3,100,000 Shares, none of which are issued and outstanding and 1,075,000 of which Shares are issuable upon the exercise of stock options by the Selling Stockholders. We will not receive any of the proceeds from the sale by the Selling Stockholders of the Shares offered hereby. A Selling Stockholder is a person named in the section of this prospectus entitled **Selling Stockholders** and also includes any donee, pledgee, transferee or other successor-in-interest selling Shares received after the date of this prospectus from a Selling Stockholder as a gift, pledge, partnership distribution or other non-sale related transfer.

We will bear all costs, fees and expenses in connection to our obligation to register the Shares offered by this prospectus. If the Shares are sold through broker-dealers or agents, the Selling Stockholders will be responsible for any compensation to such broker-dealers or agents.

The Selling Stockholders may pledge or grant a security interest in some or all of the Shares owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the Shares from time to time pursuant to this prospectus. The Selling Stockholders also may transfer and donate the Shares in other circumstances in which case the transferees, donees, pledgees or other successors-in-interest will be the selling beneficial owners for purpose of this prospectus.

The Selling Stockholders will sell their Shares subject to the following:

all or a portion of the Shares beneficially owned by Selling Stockholders or their respective pledgees, donees, transferees or successors-in-interest, may be sold on any national securities exchange or quotation service on which the Shares may be listed or quoted at the time of sale, in the over-the counter market, in privately negotiated transactions, through the writing of options, whether such options are listed on an options exchange or otherwise, short sales or in combination of such transactions;

each sale may be made at market prices prevailing at the time of such sale, at negotiated prices, at fixed prices or at varying prices determined at the time of sale; and

some or all of the Shares may be sold through one or more broker-dealers or agents and may involve crosses, block transactions in which the broker-dealer will attempt to sell Shares as agent but may position and resell a portion of the block as principal to facilitate the transaction, or hedging transactions. The Selling Stockholders may enter into hedging transactions with broker-dealers or agents, who may in turn engage in short sales of common stock in the course of hedging in positions they assume. The Selling Stockholders may also sell Shares short and deliver Shares to close out short positions, or loan pledge Shares to broker-dealers or agents who in turn may sell such Shares.

In connection with such sales through one or more broker-dealers or agents, such broker-dealers or agents may receive compensation in the form of discounts, concessions or commissions from the selling holders and receive commissions from the purchasers of the Shares for whom they act as broker-agent or to whom they sell as principal (which discounts, concessions or commissions as to particular broker-dealers or agents may be in excess of those customary in the types of transactions involved). Any broker-dealer or agent participating in any such sale may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended, and will be required to deliver a copy of this prospectus to any person who purchases any Shares from or through such broker-dealer or agent. We know of no existing arrangements between the Selling Stockholders and any other stockholder, broker, dealer, underwriter or agent relating to the sale or distribution of the Shares.

The Selling Stockholders and any broker-dealer participating in the distribution of the Shares may be deemed to be underwriters within the meaning of the Securities Act of 1933, as amended, and any profits realized by the Selling Stockholder, and commissions paid, or any discounts or concessions allowed to any broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act of 1933, as amended. In addition, any Shares covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act of 1933 may be sold under Rule 144 rather than pursuant to this prospectus.

If required at the time a particular offering of the Shares is made, a prospectus supplement or, if appropriate, a post-effective amendment to the registration statement of which this prospectus is a part, will be distributed which will set forth the aggregate amount of Shares being offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the selling holder and any discounts, commissions or concessions allowed or reallocated or paid to broker-dealers.



## **Table of Contents**

Under the securities laws of some states, the Shares may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the Shares may not be sold unless such Shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with. There can be no assurance that any Selling Stockholder will sell any or all of the Shares registered pursuant to the registration statement of which this prospectus forms a part.

The Selling Stockholders and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, Regulation M of the Securities Exchange Act of 1934, which may limit the timing of purchases and sales of any of the shares of common stock by the Selling Stockholders and participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the Shares to engage in market-making activities with respect to our common stock. All of the foregoing may affect the marketability of the Shares and the ability of any person or entity to engage in market-making activities with respect to our common stock.

We will bear all expenses of the registration of the Shares, including, without limitation, SEC fees and expenses of compliance with state securities or blue sky laws. The Selling Stockholders will pay all selling commissions and expenses, brokerage fees and transfer taxes. Once sold under this registration statement, of which this prospectus forms a part, the Shares will be freely tradable in the hands of persons other than our affiliates.

## **LEGAL MATTERS**

The validity of the Shares that may be sold using this prospectus will be passed upon for us by Crowell & Moring LLP, Washington, D.C.

## **EXPERTS**

The financial statements and schedule as of December 31, 2007 and 2006 and for each of the three years in the period ended December 31, 2007 and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2007 incorporated by reference in this Prospectus have been so incorporated in reliance on the reports of BDO Seidman, LLP, an independent registered public accounting firm, incorporated herein by reference, given on the authority of said firm as experts in auditing and accounting.

The financial statements incorporated by reference in this prospectus constituting a part of this registration statement relating to Misys Computerized Patient Record have been audited by PricewaterhouseCoopers LLP, independent accountants, to the extent and for the periods set forth in their report incorporated by reference herein, and are included in reliance upon such report given upon the authority of said firm as experts in auditing and accounting.

**Table of Contents**

**PART II**

**INFORMATION REQUIRED IN THE REGISTRATION STATEMENT**

**Item 3. Incorporation of Documents by Reference.**

We have previously filed the following documents with the SEC, and they are incorporated by reference in this prospectus:

- (1) QuadraMed Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2007, filed with the SEC on March 14, 2008;
- (2) QuadraMed Corporation's Current Reports on Form 8-K, filed with the SEC on February 4, 2008, February 7, 2008, February 13, 2008, March 12, 2008, March 18, 2008, April 1, 2008 and April 15, 2008;
- (3) QuadraMed Corporation's Current Report, as amended, on Form 8-K/A, filed with the SEC on November 9, 2007; and
- (4) The description of the terms, rights and provisions applicable to the common stock contained in QuadraMed's registration statement No. 001-32283 on Form 8-A, filed with the SEC on August 17, 2004 pursuant to Section 12 of the Exchange Act.

All of the documents that we subsequently file under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all Shares offered by this prospectus have been sold or which deregisters all Shares then remaining unsold, are incorporated by reference into this prospectus.

You can request a copy of these documents, including exhibits, at no cost, by writing or telephoning us at the following address:

QuadraMed Corporation

12110 Sunset Hills Road

Reston, Virginia 20190

703-709-2300

Attn: Corporate Secretary

Any statement which is contained in a document incorporated or considered to be incorporated by reference in this prospectus is considered to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document which also is or is considered to be incorporated by reference in this prospectus modifies or supersedes such statement. Any such statement so modified or superseded may not be considered, except as so modified or superseded, to be a part of this prospectus.

---

**Table of Contents**

**Item 4. Description of Securities.**

Not required.

**Item 5. Interests of Named Experts and Counsel.**

Not required.

**Item 6. Indemnification of Directors and Officers.**

Under Section 145 of the Delaware General Corporation Law (the "DGCL"), a corporation may indemnify its directors, officers, employees and agents and its former directors, officers, employees and agents and those who serve, at the corporation's request, in such capacities with another enterprise, against expenses (including attorneys' fees), as well as judgments, fines and settlements in nonderivative lawsuits, actually and reasonably incurred in connection with the defense of any action, suit or proceeding in which they or any of them were or are made parties or are threatened to be made parties by reason of their serving or having served in such capacity. The DGCL provides, however, that such person must have acted in good faith and in a manner such person reasonably believed to be in (or not opposed to) the best interests of the corporation and, in the case of a criminal action, such person must have had no reasonable cause to believe his or her conduct was unlawful. In addition, the DGCL does not permit indemnification in an action or suit by or in the right of the corporation where such person has been adjudged liable to the corporation, unless, and only to the extent that, a court determines that such person fairly and reasonably is entitled to indemnity for costs the court deems proper in light of liability adjudication. Indemnity is mandatory to the extent a claim, issue or matter has been successfully defended.

Our amended and restated Certificate of Incorporation and Bylaws provide that, to the extent permitted by law, the Company shall fully indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was or has agreed to become a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, and may indemnify any person who was or is a party or is threatened to be made a party to such an action, suit or proceeding by reason of the fact that the person is or was or has agreed to become an employee or agent of the Company, or is or was serving or has agreed to serve at the request of the Company as an employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding and any appeal therefrom, if the person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding had not reasonable cause to believe the person's conduct was unlawful; except that in the case of an action or suit by or in the right of the Company to procure a judgment in its favor (1) such indemnification shall be limited to expenses (including attorneys' fees) actually and reasonably incurred by such person in the defense or settlement of such proceeding and (2) no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Our amended and restated Certificate of Incorporation and Bylaws further provide that the Company shall advance expenses incurred by a director or officer in defending any such action if the director or officer undertakes to repay such amount if it is determined that the director or officer is not entitled to indemnification. The Company also shall purchase and maintain insurance to protect itself and any such director, officer or other person against any liability asserted against him and incurred by him in respect of such service whether or not the Company would have the power to indemnify him against such liability by law or under the provisions of our amended and restated Certificate of Incorporation or Bylaws.

Further, the Company has entered into indemnification agreements with its directors and certain of its senior executive officers. Pursuant to the terms of the indemnification agreements, each of the senior executive officers and directors of the Company will be indemnified by the Company to the fullest extent permitted by Delaware law in the event such officer is made or threatened to be made a party to a claim arising out of such person acting in his capacity as an officer or director of the Company.





**Table of Contents**

The registration rights agreement associated with the Series A Preferred Stock provides that the holders of the Series A Preferred Stock and common stock issuable upon the conversion of the Series A Preferred Stock shall indemnify the Company and its directors and officers from and against any and all losses, claims, damages, expenses (including reasonable costs of investigation and fees, disbursements and other charges of counsel, and any amounts paid in settlement) or other liabilities to which the Company or its directors and officers may become subject under the securities laws, any other federal law, any state or common law rule or regulation which results from, arises out of, or is based upon any untrue, or alleged untrue, statement or omission, or alleged omission, of material fact by the holders contained in any registration statement, prospectus, or preliminary prospectus (as amended or supplemented) or any document incorporated by reference in any of the foregoing, if such information was furnished in writing by the holder to the Company for use in such document.

**Item 7. Exemption from Registration Claimed.**

The restricted securities to be resold pursuant to this prospectus were exempt from registration pursuant to Section 4(2) of the Securities Act of 1933 because they were granted by the issuer pursuant to the Compensation Arrangements and not in connection with any public offering.

**Item 8. Exhibits.**

The following exhibits are filed as part of this registration statement. Certain of the following exhibits have been previously filed with the SEC and are incorporated herein by reference from the document described in parentheses. Certain others are filed herewith.

<b>Exhibit Number</b>	<b>Description</b>
4.1	Amended and Restated Bylaws of QuadraMed. (Exhibit 3.1 to our Current Report on Form 8 K filed with SEC on February 4, 2008.)
4.2	Third Amended and Restated Certificate of Incorporation of QuadraMed. (Exhibit 3.5 to our Quarterly Report Amended on Form 10 Q/A, as filed with the SEC on August 24, 1998.)
4.3	Amendment to the Third Amended and Restated Certificate of Incorporation of QuadraMed. (Exhibit 3.3 to our Registration Statement on Form S 1, No. 333 112040, as filed with the SEC on January 21, 2004.)
4.4*	Inducement Stock Option Agreement effective May 9, 2007 between Brook A. Carlon and QuadraMed Corporation.
4.5*	Amendment to the Inducement Stock Option Agreement between Brook A. Carlon and QuadraMed Corporation dated August 9, 2007.
4.6	Amended and Restated QuadraMed Corporation 2004 Stock Compensation Plan (Exhibit 4.4 to our Current Report on Form 8-K, as filed with the SEC on August 10, 2007.)
5.1*	Opinion of Crowell & Moring LLP regarding legality of securities being registered.
23.1*	Consent of BDO Seidman, LLP, Independent Registered Public Accounting Firm.
23.2*	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
23.3*	Consent of Crowell & Moring LLP (included in Exhibit 5.1).
24.1*	Power of Attorney (set forth in the signature page hereto).

\* Filed herewith

---

**Table of Contents**

**Item 9. Undertakings.**

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the registration statement is on Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the County of Fairfax, Commonwealth of Virginia, on April 18, 2008.

QUADRAMED CORPORATION

By: */s/ KEITH B. HAGEN*  
**Keith B. Hagen**  
**President, Chief Executive Officer**

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

	<i>/s/ KEITH B. HAGEN</i> <b>Keith B. Hagen</b>	Chief Executive Officer (Principal Executive Officer) and Director	April 18, 2008
	<i>/s/ DAVID L. PIAZZA</i> <b>David L. Piazza</b>	Executive Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	April 18, 2008
	<i>/s/ ROBERT L. PEVENSTEIN*</i> <b>Robert L. Pevenstein</b>	Chairman of the Board	April 18, 2008
	<i>/s/ JULIAN A.L. ALLEN*</i> <b>Julian A.L. Allen</b>	Director	April 18, 2008
	<i>/s/ LAWRENCE P. ENGLISH*</i> <b>Lawrence P. English</b>	Director	April 18, 2008
	<i>/s/ ROBERT W. MILLER*</i> <b>Robert W. Miller</b>	Director	April 18, 2008
	<i>/s/ JAMES E. PEEBLES*</i> <b>James E. Peebles</b>	Director	April 18, 2008
* By:	<i>/s/ KEITH B. HAGEN</i> <b>Keith B. Hagen</b>	Attorney-in-Fact	April 18, 2008

**Table of Contents**

**POWER OF ATTORNEY**

Each individual whose signature appears below constitutes and appoints Keith B. Hagen as his attorney-in-fact, for him in any and all capacities, to sign any amendments to this registration statement, and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting to said attorney-in-fact, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming the said attorney-in-fact or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<i>/s/ ROBERT L. PEVENSTEIN</i> <b>Robert L. Pevenstein</b>	Chairman of the Board	April 18, 2008
<i>/s/ JULIAN A.L. ALLEN</i> <b>Julian A.L. Allen</b>	Director	April 18, 2008
<i>/s/ LAWRENCE P. ENGLISH</i> <b>Lawrence P. English</b>	Director	April 18, 2008
<i>/s/ ROBERT W. MILLER</i> <b>Robert W. Miller</b>	Director	April 18, 2008
<i>/s / JAMES E. PEEBLES</i> <b>James E. Peebles</b>	Director	April 18, 2008