

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 6, 2013**

Catasys, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-31932
(Commission File Number)

88-0464853
(IRS Employer
Identification No.)

11150 Santa Monica Boulevard, Suite 1500
Los Angeles, California
(Address of principal executive offices)

90025
(Zip Code)

Registrant's telephone number, including area code **(310) 444-4300**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 3.03 Material Modifications to Rights of Securities Holders.

(a) The information contained in Items 5.03 and 8.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

(a) On May 3, 2013, Catasys, Inc. (the “Company”) filed an Amendment to its Certificate of Incorporation (the “**Amendment**”) with the Secretary of State of the State of Delaware to effect a 1-for-10 reverse stock split (the “**Reverse Stock Split**”) of the Company’s issued and outstanding common stock, \$0.0001 par value per share (the “**Common Stock**”). The Reverse Stock Split became effective at 5:00 p.m. on May 6, 2013. A copy of the Amendment is attached hereto as Exhibit 3.1 and incorporated herein by reference.

As a result of the Reverse Stock Split, each ten (10) shares of the Company’s issued and outstanding Common Stock has been automatically combined and converted into one (1) issued and outstanding share of Common Stock. The Reverse Stock Split has affected all issued and outstanding shares of Common Stock, as well as Common Stock underlying stock options, warrants and other convertible securities outstanding immediately prior to the effectiveness of the Reverse Stock Split. The Reverse Stock Split has reduced the number of outstanding shares of the Common Stock outstanding prior to the Reverse Stock Split from 142.7 million shares to approximately 14.3 million shares. The number of authorized shares of Common Stock was not affected by the Reverse Stock Split.

No fractional shares will be issued in connection with the Reverse Stock Split. Stockholders who would otherwise hold a fractional share of Common Stock will receive a cash payment in lieu of such fractional share equals to such fraction multiplied by the average of the high and low trading prices of the Common Stock on the Over-The-Counter Bulletin Board during regular trading hours for the five trading days immediately preceding the effectiveness of the Amendment.

The Common Stock will begin to trade on the Over-The-Counter Bulletin Board on a post-split basis on May 7, 2013. It is expected that the Over-The-Counter Bulletin Board will append a “D” to the Company’s ticker symbol “CATSD” to indicate the completion of the Reverse Stock Split, and that after a 20 business-day period following effectiveness of the Reverse Stock Split, the ticker symbol will revert to “CATS.” In addition, the shares of Common Stock will also trade under the new CUSIP number 149049405 effective on May 7, 2013.

Stockholders with shares held in book-entry form or through a bank, broker, or other nominee are not required to take any action and will see the impact of the Reverse Stock Split reflected in their accounts after May 6, 2013. Beneficial holders may contact their bank, broker, or nominee for more information. Stockholders with shares held in certificate form are required to exchange their stock certificates for book-entry shares representing the shares of Common Stock resulting from the Reverse Stock Split. Shortly after May 6, 2013, registered holders who hold shares in certificate form will receive a Letter of Transmittal and instructions for exchanging their certificates from the Company’s transfer agent, American Stock Transfer & Trust Company, LLC.

Item 8.01 Other Events.

On May 7, 2013, the Company issued a press release announcing the effectiveness of the Reverse Stock Split. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

No.	Description
3.1	Catasys, Inc. Certificate of Amendment to Certificate of Incorporation.
99.1	Press Release dated May 7, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CATASYS, INC.

Date: May 7, 2013

By: /s/ SUSAN E. ETZEL

Susan E. Etzel
Chief Financial Officer

**CERTIFICATE OF AMENDMENT
TO
CERTIFICATE OF INCORPORATION
OF
CATASYS, INC.**

Catasys, Inc. (the “**Corporation**”), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (“**DGCL**”), does hereby certify:

FIRST: That the Board of Directors of the Corporation has duly adopted resolutions (i) authorizing the Corporation to execute and file with the Secretary of State of the State of Delaware this Certificate of Amendment to combine ten (10) shares of the Corporation’s common stock, \$0.0001 par value per share (“**Common Stock**”), issued and outstanding or held in the treasury of the Corporation into one (1) share of Common Stock and (ii) declaring this Certificate of Amendment to be advisable and recommended for approval by the stockholders of the Corporation.

SECOND: That this Certificate of Amendment was duly adopted in accordance with the provisions of Sections 228 and 242 of the DGCL by the Board of Directors and stockholders of the Corporation.

THIRD: The second paragraph of Section 1 of Article FOURTH of the Certificate of Incorporation is hereby deleted and replaced in its entirety with:

“Upon the effectiveness of this Certificate of Amendment, every ten (10) issued and outstanding shares of Common Stock of the Corporation shall be changed and reclassified into one (1) share of Common Stock, which shares shall be fully paid and non-assessable shares of Common Stock of the Corporation; provided, however, that in lieu of fractional interests in shares of Common Stock to which any stockholder would otherwise be entitled pursuant hereto (taking into account all shares of Common Stock owned by such stockholder), any such fractional interests in shares of Common Stock shall be paid in cash in an amount equal to such fraction multiplied by the average of the high and low trading prices of the Common Stock on the OTC Bulletin Board during regular trading hours for the five trading days immediately preceding the effectiveness of this Certificate of Amendment.”

FOURTH: This Certificate of Amendment shall be effective on May 6, 2013 at 17:00 p.m. EST.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment on this 3rd day of May, 2013.

CATASYS, INC.

By: /s/ Susan Etzel

Name: Susan Etzel

Title: Chief Financial Officer



NEWS

Catasys, Inc. Announces One-for-Ten Reverse Stock Split

Los Angeles, California — May 7, 2013 — Catasys, Inc. (OTCQB: CATS), provider of proprietary health management services to health insurers and employers, today announced a reverse stock split of its shares of common stock at a ratio of 1-for-10 for stockholders of record April 19, 2013. The stock split is effective today and the shares will trade on a post-split basis under the temporary symbol “CATSD” with a “D” added for 20 trading days to signify that the reverse stock split has occurred. The reverse stock split, which was unanimously approved by the Company’s board of directors, was previously approved by written consent by the majority of its stockholders.

As of May 3rd there were 142,739,844 shares of Catasys common stock issued and outstanding. After giving effect to the reverse stock split at a ratio of 1-for-10, the number of shares issued and outstanding will be reduced to approximately 14,273,984.

The reverse stock split was executed as part of the Company’s program to improve its capital markets appeal to investors and pursue its objective to “up list” from the bulletin board to a national exchange. The timing for this event is now supported by Catasys’ strong expectation that it will continue to grow (a) organically (as existing insurers continue to expand into new territories and/or increase the number of enrolled members into Catasys’ OnTrak[™] program) and (b) by signing new insurers. In addition to the recently signed national insurer, the Company currently has a sales pipeline of 13 million lives. Management’s goal is to become cash flow positive by the end of this year.

Catasys’ OnTrak program –contracted with a growing number of health insurers - was designed to improve member health and at the same time lower costs to the insurer by utilizing patient centric treatment that integrates evidence based medical and psychosocial interventions along with care coaching in a 52 week outpatient program. OnTrak is currently improving member health and is demonstrating with several health insurers impressive results – as evidenced by reduced inpatient and emergency department utilization driving a reduction in total health care costs of more than 50% for enrolled members.

Catasys’ transfer agent, American Stock Transfer & Trust Company, LLC, will send a letter of transmittal relating to the reverse stock split to stockholders of record of Catasys common stock as of the date of the reverse stock split. In lieu of fractional shares, stockholders will receive cash. The CUSIP number for the new Catasys common stock outstanding after the reverse stock split is 149049405. American Stock Transfer & Trust Company can be reached at (800) 937-5449 or info@amstock.com.

About Catasys, Inc.

Catasys, Inc. provides specialized health management services to health plans and employers through a network of licensed and company managed health care providers. The Catasys substance dependence program improves member health, thereby lowering overall costs. The proprietary program addresses substance dependence as a chronic disease, focusing on the whole health of the member. The program delivers integrated medical and psychosocial interventions in combination with long-term care coaching. For further information, please visit www.catasyshealth.com.

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Forward-Looking Statements

Except for statements of historical fact, the matters discussed in this press release are forward-looking and made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect numerous assumptions and involve a variety of risks and uncertainties, many of which are beyond our control that may cause actual results to differ materially from stated expectations. These risk factors include, among others, changes in regulations or issuance of new regulations or interpretations, limited operating history, lack of outcomes and statistically significant formal research studies, difficulty enrolling members in our programs, the risk that treatment programs might not be effective, difficulty in developing, exploiting and protecting proprietary technologies and intense competition and substantial regulation in the health care industry. You are urged to consider statements that include the words "may," "will," "would," "could," "should," "believes," "estimates," "projects," "potential," "expects," "plan," "anticipates," "intends," "continues," "forecast," "designed," "goal," or the negative of those words other comparable words to be uncertain and forward-looking. For a further list and description of the risks and uncertainties we face, please refer to our most recent Securities and Exchange Commission filings which are available on its website at <http://www.sec.gov>. Such forward-looking statements are current only as of the date they are made, and we assume no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

IR CONTACT:

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