

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): **August 17, 2015**

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.)

11601 Wilshire Boulevard, Suite 950
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 under any of the following provisions (see General Instructions A.2. below):

- 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 2.02 Results of Operations and Financial Condition.

The information set forth under this “Item 2.02. Results of Operations and Financial Condition,” including the exhibit attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

On August 17, 2015, Catasys, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended June 30, 2015. The full text of the Company’s press release is furnished herewith as exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(a) Exhibits.

No.	Description
99.1	Press Release dated August 17, 2015.

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: August 17, 2015

By: /s/ SUSAN E. ETZEL
Susan E. Etzel
Chief Financial Officer

Catasys Reports Second Quarter 2015 Financial Results

Reports Significant Growth in Enrollment, up 102% over Sequential Quarter

LOS ANGELES, August 17, 2015 -- Catasys, Inc. (OTCQB: CATS), a provider of proprietary big data-based, analytics-driven health management services to health insurers and employers, today reported second quarter financial results for the period ended June 30, 2015.

Second Quarter 2015 Financial and Operational Highlights:

- The Company reported revenue of \$472,000 for Q2 2015, an increase of 51% over the \$312,000 reported for Q2 2014
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 - Sequential second quarter revenue of \$472,000 increased by 9% over the \$433,000 achieved during the first quarter ended March 31, 2015. Deferred revenue was \$853,000 as of June 30, 2015, a sequential quarterly increase of \$338,000 or 65% compared to \$515,000 as of March 31, 2015.
 - A net loss of (\$587,000), or (\$0.02) per diluted share, was reported for Q2 2015 versus a net loss of (\$27,447,000), or (\$1.27) per diluted share, for the same period in 2014
 - Cash and cash equivalents totaled \$152,000 as of June 30, 2015, compared to \$84,000 as of March 31, 2015
 - Catasys recorded a 102% sequential growth in enrollment in Q2 2015 over Q1 2015
 - A 91% increase in enrollment for the six months ended June 30, 2015 over the first six months ended June 30, 2014.
 - The Company announced a warrant exchange for common stock, which moved Catasys closer to listing requirements for a national exchange and improved shareholders' equity by \$38 million
 - Began enrollment of members with anxiety disorders in its *OnTrak* program in Kansas, thus expanding the Company's Commercial Equivalent Lives to 2.3 million
 - Co-presented with Humana a poster demonstrating positive results from the *OnTrak* program, demonstrating that its integrated substance abuse treatment program resulted in higher enrollment, fewer ER visits and inpatient hospitalizations and lower health care costs
 - Announced a contract with Health Alliance Medical Plans to offer the *OnTrak* program to Illinois members
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Rick Anderson, President and COO said, "Our second quarter continued to generate top line growth, showing a 51% increase year-over-year. We are also pleased to report 102% sequential growth in enrollment in the second quarter of 2015 over our first quarter of 2015. Enrollment growth is anticipated to translate to increased revenue and deferred revenue in future quarters as the Company receives monthly fees or fee-for-service payments for these members throughout their term of enrollment. This was a result of expanding our *OnTrak* program into Illinois with a new health insurer, enrolling members suffering from anxiety disorder into our *OnTrak* program in Kansas and growth in enrollment for customers launched within the last year. During the quarter, we released results from a one-year retrospective cohort study in which we collaborated with Humana. The study found that our integrated substance abuse treatment program led to higher enrollment, fewer ER visits and inpatient hospitalizations and lower health care costs. Lastly, with the announcement of our warrant exchange, we eliminated an associated liability of approximately \$38 million associated with those warrants. This represents an important step in moving the Company towards our goal of meeting the stockholders' equity test for listing on a national exchange. We look forward to keeping our shareholders updated on this progress."

Second Quarter 2015 Results of Operations

For the second quarter ended June 30, 2015, total revenues increased by 51% to \$472,000, compared to \$312,000 for the second quarter 2014. The Company also reported \$853,000 in deferred revenue, an increase of \$338,000 or 65% compared to \$515,000 for the first quarter of 2015. Depending on the customer, deferred revenue is either recognized over the course of the 52 week program when fees are received in advance, or annually when savings calculations are completed in cases where fees are subject to achieving savings at least equal to program fees. Catasys has been able to record its deferred revenue as actual revenue during the course of the business cycle, except for limited cases where members terminated from the program early. Total revenue increases were driven by an expansion of our customer base and health plan populations covered under our program.

The Company reported a net loss of (\$587,000), or (\$0.02) per basic and diluted share for the second quarter ended June 30, 2015, compared to a net loss of (\$27.4 million), or (\$1.27) per basic and diluted share, for the second quarter of the prior year.

Total operating expenses for the second quarter 2015 were \$2.98 million compared to \$2.0 million for same quarter last year, primarily due to the higher cost of healthcare services based on increasing enrollment and non-cash general and administrative expenses.

General and administrative expense increased to \$2.4 million for the three months ended June 30, 2015, compared to \$1.7 million during the same period in 2014. This was primarily due to non-cash compensation expense for stock option grants to the members of the board of directors.

About Catasys, Inc.

Catasys, Inc. provides big data based analytics and predictive modeling driven behavioral healthcare services to health plans and their members through its *OnTrak* program. Catasys' *OnTrak* program—contracted with a growing number of health insurers—is designed to improve member health and, at the same time, lower costs to the insurer for underserved populations where behavioral health conditions cause or exacerbate co-existing medical conditions. The program utilizes proprietary analytics and proprietary enrollment, engagement and behavioral modification capabilities to assist members who otherwise do not seek care through a 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, at the same time, is demonstrating reduced inpatient and emergency room utilization, driving a more than 50 percent reduction in total health insurers' costs for enrolled members. Catasys currently operates *OnTrak* in Florida, Illinois, Kansas, Kentucky, Louisiana, Massachusetts, New Jersey, Oklahoma, West Virginia and Wisconsin. For further information, please visit catasys.com.

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, our inability to execute our business plan, increase our revenue and achieve profitability, lower than anticipated eligible members under our contracts, our inability to recognize revenue, lack of outcomes and statistically significant formal research studies, difficulty enrolling new and maintain existing members in our programs, the risk that treatment programs might not be effective, difficulty in developing, exploiting and protecting proprietary technologies, intense competition and substantial regulation in the health care industry, the risks associated with the adequacy of our existing cash resources and our ability to continue as a going concern, our ability to raise additional capital when needed and our liquidity. 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, except as required by law.

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