

About Catasys

Catasys is a provider of proprietary data, predictive analytics modeling and integrated treatment solutions for anxiety, depression and substance use disorders to health plans. Through its proprietary 52-week outpatient program, OnTrak™, Catasys seeks to improve member health, while lowering costs to the insurer.

The OnTrak program is currently available in 18 states and will expand into additional states under the national agreements that Catasys has in place.

Business Model

- Contract with health insurance providers to provide targeted behavioral health management services to high cost members
 - Receives monthly, fee-for-service or upfront fees from health plans for enrolled members
- Process for enrollment of high cost members
 - Identifies:** Catasys utilizes Big Data analytics and predictive modeling to identify target members driving current/future medical spend
 - Engages:** using unique, sustained outreach and enrollment tactics, Catasys places members directly into OnTrak program
 - Treats:** Catasys provides evidence based, 52-week outpatient treatment program, OnTrak

Equivalent Lives

- Equivalent Lives (EL) is calculated based on the number of people eligible, or anticipated to be eligible, to be enrolled into OnTrak under Catasys' contracts with health care plans
- Medicare, Medicaid and Dual Eligible plans generally have a higher prevalence of eligible members than commercial health plans, and considers that contracts covering depression and anxiety typically have greater eligibility than those that cover just substance dependence
- For comparison purposes, EL converts all plans to an equivalent amount of lives. As such, EL will generally be higher, and in some cases, significantly higher than the actual number of adults covered under the health plan Catasys is contracted with

	Commerical		Medicare & Medicaid	
	%	Lives	%	Lives
Eligible (SD)	0.45%	4,500	1.13%	11,250
Equivalent Lives (SD)	1.0x	1,000,000	2.5x	2,500,000
Eligible (SD, Dx, Ax)	2.00%	20,000	2.67%	26,700
Equivalent Lives (SD, Dx, Ax)	4.4x	4,444,444	5.93x	5,933,333

Addressing a Costly Problem

- Members with behavioral health disorders average higher healthcare costs for covering health insurance providers
- Patients with substance abuse and mental health disorders are less likely to comply with treatment recommendations
 - 3x more likely to have repeated hospital admissions
 - Approximately only 1/3 of those suffering from anxiety disorders receive treatment

At a Glance (As of 3/9/2017)

Ticker	CATS
Exchange	NASDAQ
Headquarters	Los Angeles, CA
Stock Price	\$5.14
52 Week Range	\$0.33 - \$5.35
Shares Outstanding	55.3 Million
Estimated Shares in the Public Float	6.3 Million
Market Capitalization	\$76.3 Million
Fiscal Year End	December 31

Current Clients

Contracts covering ~7.5 MILLION
Equivalent Lives

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Revenue Model

- This table calculates the potential revenue based on 1 million ELs
- EL is based on the number of people eligible, or anticipated to be eligible for enrolled in OnTrak
- EL is a leading indicator of the example revenue run rate 12 months after launch (the chart below is an example of the ramp)

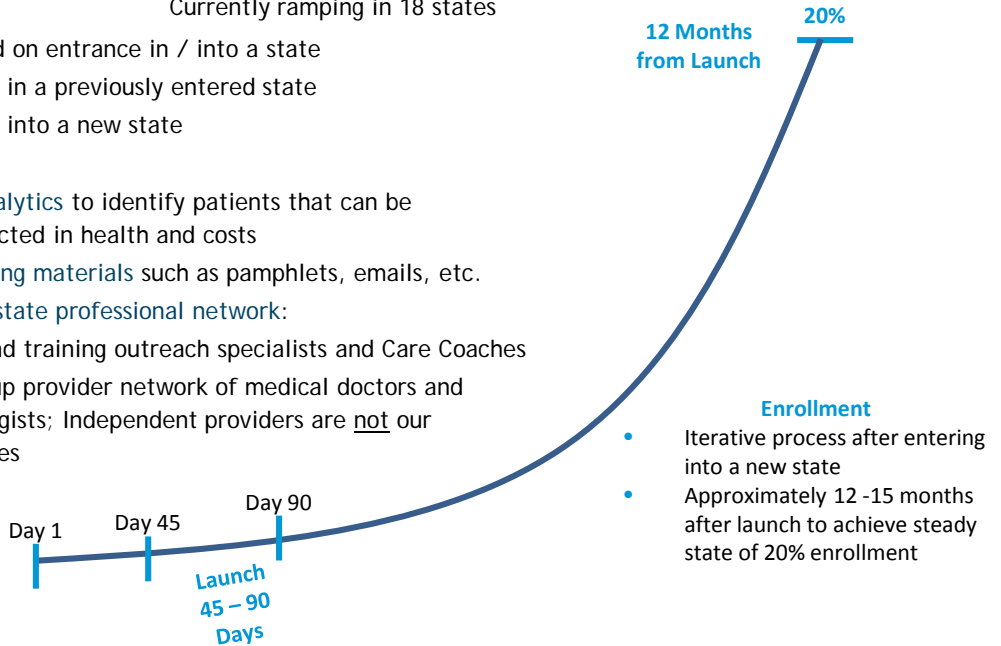
Revenue per patient enrolled	\$8,500
Revenue per enrolled member at 80% retention (1)	\$7,000
Assumed 20% enrollment in program	<u>900</u>
Revenue per million ELs	<u>\$6,300,000</u>
Revenue per 10 million ELs	\$63,000,000

(1) All amounts are estimates and are calculated on adult lives (age 18+). Retention rates reflect the number of members who remain eligible for the program that stay enrolled.

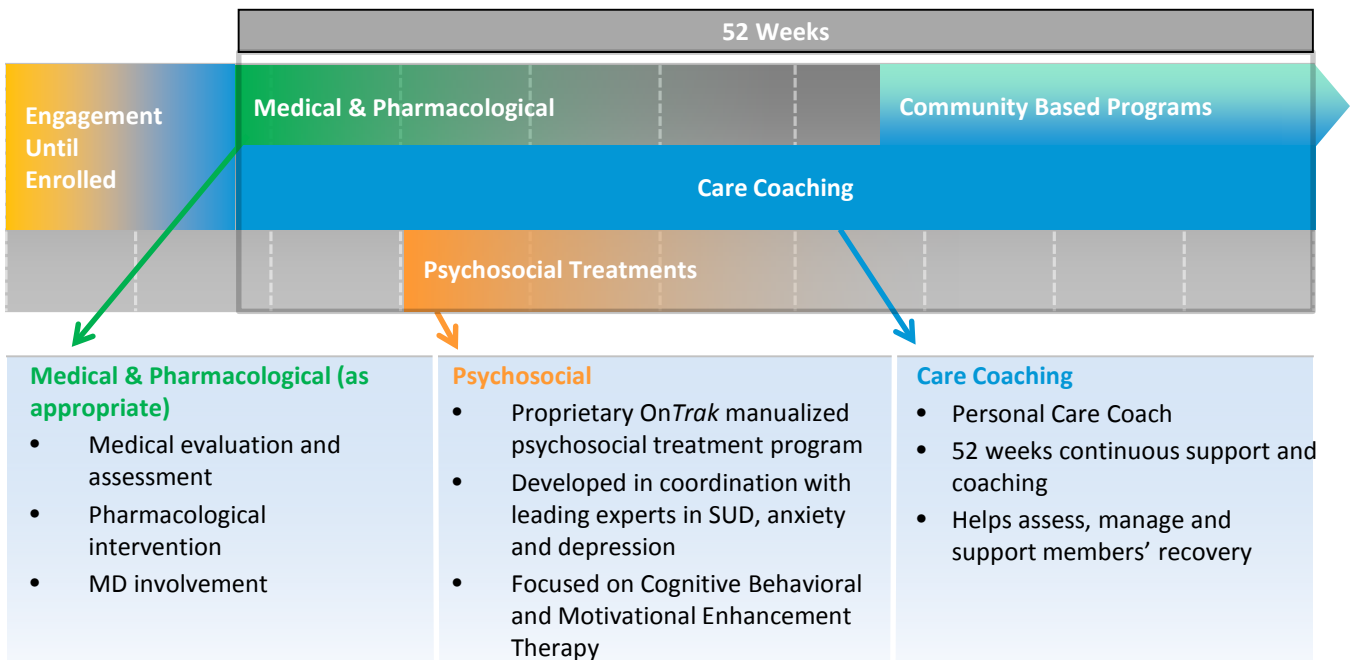
State Ramp Up

Currently ramping in 18 states

- Days to launch varies based on entrance in / into a state
 - **45 days** to launch in a previously entered state
 - **90 days** to launch into a new state
- Pre-launch Catasys is:
 - Using **Big Data analytics** to identify patients that can be significantly impacted in health and costs
 - Preparing **marketing materials** such as pamphlets, emails, etc.
 - Developing an **in-state professional network**:
 - Hiring and training outreach specialists and Care Coaches
 - Setting up provider network of medical doctors and psychologists; Independent providers are not our employees



Catasys' OnTrak™ Solution



This fact sheet may contain forward-looking statements that involve numerous risks and uncertainties. Actual results, performance or achievements could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those set forth in the Company's filings with the Securities and Exchange Commission.