



Annual Benefit Report: 2025

Report Date: 03/21/2025

Overview:

Catalyst Mental Health has been providing outpatient mental health services since 2011, converted to B-Corporation in 2019, and achieved certification status as a B-Corporation in 2023.

Our mission statement is:

To develop, create, and maintain a mental health organization that is healthy, sustainable, and professionally enriching for all of its employees, so that they are in turn empowered to provide the most compassionate, dynamic, and effective services possible to each and every client, neighborhood, and community that they serve.

Key Performance Metrics for 2025

Client Stakeholders

- We conducted approximately **40,000** mental health sessions with **2,600** unique individuals.
- Of the mental health sessions provided, approximately **24%** were billed to Medicaid or Medicare plans, and approximately **4%** were billed at a discount on a sliding scale.
- Of the unique individuals served, approximately **26%** identified as LGBTQ+, and approximately **16%** identified as Non-White.

We also sent therapist feedback surveys to a randomized sample of 300 clients over the course of the year, and below is a summary of their responses:

Please rate this therapist's professional KNOWLEDGE of the problems that were presented:

Average score 4.88 out of 5 stars

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Please rate this therapist's ABILITY to understand, engage, and connect with clients:

Average score 4.72 out of 5 stars

Please rate this therapist's overall PERFORMANCE on helping clients achieve their desired goals:

Average score 4.56 out of 5 stars

Employee Stakeholders

Instead of conducting an internal employee survey this year, we participated in a best practices survey run by Great Workplaces in Minnesota, which is affiliated with the Minnesota Society for Human Resources Management.

There were ultimately 713 businesses who participated, and we were 1 out of 13 official honorees highlighted on the basis of the survey results, which means we placed in the top 2% based on aggregate scores across survey domains.

Community Stakeholders

We created a new Engagement Manager position on our Administrative Team this year to increase our focus on community engagement. This led to participation in some new events like the Uptown Open Streets Festival. We also hosted our second annual stand-up comedy show at the Parkway Theater in Minneapolis.

Ownership Stakeholders

In an industry where the vast majority of therapists are now employed by private equity groups, Catalyst Mental Health remains a proud exception as a 100% Boot-Strapped, 100% Clinician Owned & Operated entity.

Our three current clinician owners and founder met for their 5th annual leadership summit and retreat in Durango, Colorado in May of 2025. We plan to continue growing and diversifying our

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ownership group in years to come as well, with a focus on recruiting new owners internally from our existing base of high-performing clinical employees.

Notable Business Developments in 2025:

Duluth, Minnesota Site Growth

Construction completed at our Duluth site in March of 2025, and we had two additional therapists join our team there in April of 2025.

Website and Branding Updates

We worked with a marketing consultant who focuses on mission-driven businesses to update our logo and branding for the first time since the business was founded in 2011. Marketing has never been a major focus for Catalyst; however, Catalyst has grown and changed a lot in the past 14 years, so we wanted better tools to communicate about our business journey and future trajectory to the general public.

Once the branding updates were complete, we then added the new content to a redesigned website in July that is mobile-friendly and contains better search features intended to help clients find an excellent therapist match.

Pay System Update for Therapists

While the pay system for therapists that we implemented back in 2022 remained popular among the majority of our clinicians who helped design it, we continued to receive feedback annually from a minority of mostly newer therapists who found the collections-based aspects of the pay system too confusing.

As a result, we revised some key aspects of the pay system in 2025 to make everything much simpler. Specifically, with regard to the variable component of therapist pay:

- We reverted to paying therapists at the time their hours are **billed** rather than at the time the associated funds are **collected**, which is how variable pay used to work for the therapists between 2011 and 2018.

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- We started paying therapists a single **flat rate** per hour for all hours billed, regardless of the specific codes or insurance companies billed.

New Initiatives Planned for 2026

Psychological Testing, Doctoral Training Program, and Medication Management

At the start of 2026 we were asked to take over operations for a clinic in Burnsville, Minnesota that provides psychological testing, doctoral training for psychologists, and medication management after the owner of the clinic made a decision to relocate out of the country as a result of ICE operations in Minnesota that peaked in January of 2026.

We have provided psychological testing in the past, but never on a large scale, and we have never run a doctoral training program for psychologists or provided medication management services. We believe these new services and programs will enhance our ability to serve existing clients while also ensuring care continuity for a large group of clients at an important community hub in Burnsville.

Chemical Health Subsidiary, Outpatient Groups

We plan to launch a chemical health subsidiary called Catalyst Recovery that will run outpatient chemical dependency groups at our Uptown site, hopefully by sometime near the start of 2027.

Duluth Site Growth

We plan to fill the remaining available offices at our Duluth site in 2026 and add a front desk staff member there to help out with the growing volume of foot-traffic at the site.

Florida Site Growth

We plan to add our first local hires at our site in Mount Dora, Florida this year to join our clinician who relocated to launch a site there in 2024.

Plan to Start Serving Veterans

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Due to a growing number of providers interested in serving veterans, we are planning to join the TriWest Alliance in 2026 and we will explore participation in the Humana Military network in Florida as well.

B-Corp Certification Renewal Delayed until 2027

Due to the complexity of the new B-Corp certification process, B Lab Global decided to delay our need to re-certify on the new standards until 2027.

A handwritten signature in black ink, appearing to read "David Townes", is written in a cursive style.

David Townes, LICSW, MBA
Executive Director

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