

Pacific Health Care Organization, Inc. Reports Second Quarter 2017 Results

NEWPORT BEACH, Calif., August 14, 2017 (GLOBE NEWSWIRE) – Pacific Health Care Organization, Inc., (the “Company”) (OTCQB: PFHO) today filed with the Securities and Exchange Commission (the “Commission”) its quarterly report on Form 10-Q announcing its financial results for the periods ended June 30, 2017.

Results

The Company reported net income of \$240,480, or \$0.30 per basic and fully diluted common share for the second quarter ended June 30, 2017, compared to net income of \$75,982, or \$0.09 per basic and fully diluted common share, for the second quarter ended June 30, 2016. For the first six months of 2017, the Company reported net income of \$462,737 or \$0.58 per basic and fully diluted common share, compared to net income of \$172,108 or \$0.22 per basic and fully diluted common share for the first six months of 2016.

Total revenues for the second quarter 2017 were \$1,675,637 compared to \$1,249,709 for the same period in 2016, an increase of \$425,928 or 34 percent. For the first six months of 2017 the Company recorded total revenue of \$3,216,893 compared to total revenues of \$2,558,870 for the same period in 2016, an increase of \$658,023 or 26 percent.

Net cash provided by operating activities decreased to \$438,949 during the six months ended June 30, 2017, from \$646,347 for the same period in 2016, a decrease of \$207,398 or 32 percent. Cash balance at June 30, 2017, and December 31, 2016, was \$5,431,874 and \$5,005,617, respectively.

About Pacific Health Care Organization, Inc.

The Company specializes in workers’ compensation cost containment. The Company’s business objective is to deliver value to its clients that reduces their workers’ compensation related medical claims expense in a manner that will assure that injured employees receive high quality healthcare that allows them to recover from injury and return to gainful employment without undue delay. Workers’ compensation costs continue to increase due to rising medical costs, inflation, fraud and other factors. Medical and indemnity costs associated with workers’ compensation in the state of California are billions of dollars annually. Through its wholly-owned subsidiaries, the Company provides a range of effective workers’ compensation cost containment services, including but not limited to, Health Care Organizations, Medical Provider Networks, HCO + MPN, Workers’ Compensation Carve-Outs, Utilization Review, Medical Bill Review, Nurse Case Management, Lien Representation, Legal Support and Medicare Set Aside services.

“Safe Harbor” Statement: Statements included in this press release, other than statements or characterizations of historical fact, are forward-looking statements. Forward-looking statements are based on management’s current judgment, expectations, estimates, projections and

assumptions about future events. While management believes these assumptions are reasonable, such statements are not guarantees of future results and involve certain risks and uncertainties which are difficult to predict. Therefore, actual results and trends may differ materially from what is forecast in any forward-looking statement due to a variety of factors. Additional information regarding these factors, such as the potential loss of one or more key customers, is contained in the Company's filings with the Commission, including without limitation, its annual report on Form 10-K and its quarterly reports on Form 10-Q.

All forward-looking statements speak only as of the date they were made. The Company does not undertake any obligation to update or publicly release any revisions to any forward-looking statements to reflect events, circumstances or changes in expectations after the date of this press release.

To view the Company's quarterly report on Form 10-Q for the periods ended June 30, 2017, filed with the Commission, and the Company's annual, quarterly and current reports and other information the Company files with or furnishes to the Commission go to: <http://www.sec.gov>. You may also view our annual report on Form 10-K on our website at <http://www.pacifichealthcareorganization.com>.

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