

Pacific Health Care Organization, Inc. Reports Third Quarter 2016 Results

NEWPORT BEACH, Calif., November 14, 2016 (GLOBE NEWSWIRE) – Pacific Health Care Organization, Inc., (the “Company”) (OTCQB: PFHO) today filed with the United States Securities and Exchange Commission (the “Commission”) its quarterly report on Form 10-Q announcing its financial results for the periods ended September 30, 2016.

Results

The Company reported net income of \$177,333, or \$0.22 per basic and fully diluted common share for the third quarter ended September 30, 2016, compared to net income of \$449,031, or \$0.57 per basic and fully diluted common share, for the third quarter ended September 30, 2015. For the first nine months of 2016, the Company reported net income of \$349,441 or \$0.44 per basic and fully diluted common share, compared to net income of \$1,396,373 or \$1.76 per basic and fully diluted common share for the first nine months of 2015.

Total revenues for the third quarter 2016 were \$1,443,596 compared to \$2,069,581 for the same period in 2015, a decrease of \$625,985 or 30 percent. For the first nine months of 2016, the Company recorded total revenue of \$4,002,466 compared to total revenues of \$6,699,784 for the same period in 2015, a decrease of \$2,697,318 or 40 percent.

Net cash provided by operations decreased to \$1,049,690 during the nine months ended June 30, 2016, from \$1,470,913 for the same period in 2015, a decrease of \$421,223 or 29 percent. Cash balance at September 30, 2016 and December 31, 2015 was \$4,848,995 and \$3,834,924, respectively.

About Pacific Health Care Organization, Inc.

The Company is a specialty workers’ compensation managed care company providing a range of services primarily to California employers and claims administrators. 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. The Company’s focus goes beyond medical cost, with the goal of reducing the entire cost of the claim, including medical, legal and administrative costs. 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 Services 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 September 30, 2016, 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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