

Pacific Health Care Organization, Inc. Reports its 2022 Year-End Financial Results

PUBLISHED

Irvine, Calif., March 31, 2023 (GLOBE NEWSWIRE) -- Pacific Health Care Organization, Inc., (the “Company”) (OTCQB: PFHO) today filed with the Securities and Exchange Commission (the “Commission”) its annual report on Form 10-K announcing its financial results for the fiscal year ended December 31, 2022.

Results

The Company reported total revenues of \$5,744,957 for the year ended December 31, 2022, compared to \$5,403,110 for the year ended December 31, 2021. The Company reported net income of \$492,886 or \$0.04 per basic and fully diluted common share for the year ended December 31, 2022, compared to net income of \$995,020 or \$0.08 per basic and fully diluted common share for the year ended December 31, 2021.

In February 2021 the principal and interest on the Paycheck Protection Program (“PPP”) loans in the aggregate amount of \$460,700 (the “first draw PPP loans”) issued to PHCO, MMC and MMM in April and May 2020 were forgiven in full. In December 2021 the principal and interest on the section 311 of the Economic Aid Act Paycheck Protection Program Second Draw Loans in the amount of \$218,900 (the “second draw PPP loan”) issued to MMM in April 2021 were also forgiven in full. As a result, we realized income from paycheck protection loan forgiveness of \$684,785 and loan interest expense from paycheck protection loans of \$5,185 during the year ended December 31, 2021, resulting in total other income during 2021 of \$679,600. During the year ended December 31, 2022, we realized no other income (expense). We do not expect there to be further similar forgivable loans in future periods and as a result, we expect other income (expense) to be significantly less in future periods than during the year ended December 31, 2021.

Net cash provided by operating activities was \$711,237 during the year ended December 31, 2022, compared to \$386,391 for the same period in 2021, an increase of \$324,846 or 84% percent.

During the year ended December 31, 2022, net cash used in investing activities was \$8,760,177 compared to \$18,376 during the year ended December 31, 2021. The increase in net cash used in investing activities in 2022 was largely due to the Company’s purchase of \$8,721,310 in U.S. Treasury bills with a maturity date of June 8, 2023.

During the year ended December 31, 2022, we had \$0 net cash provided by financing activities compared to \$218,900 during the year ended December 31, 2021.

Cash on hand at December 31, 2022 and 2021, was \$2,036,432 and \$10,085,372, 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, where the Company maintains its principal operations, 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, medical case management, utilization review, medical bill review, workers' compensation carve-outs and Medicare set-aside services. We also provide lien representation and expert witness testimony, ancillary to our other services. We offer our services as a bundled solution, as standalone services, or as add-on 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 or the impacts of the COVID-19 pandemic on our business and results of operations, is contained in the Company's filings with the Commission, including without limitation, its annual reports 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 annual report on Form 10-K for the year ended December 31, 2022, filed with the Commission today and the Company's annual, quarterly and current reports and other information the Company files with or furnishes to the U.S. Securities and Exchange Commission go to: <http://www.sec.gov>. You may also view our annual reports on Form 10-K and our quarterly reports on Form 10-Q on our website at <http://www.pacifichealthcareorganization.com>.

Pacific Health Care Organization, Inc.

19800 MacArthur Blvd, Suite 300

Irvine, California 92612

(949) 721-8272

Website: <http://www.pacifichealthcareorganization.com>

Contact: Kristina Kubota – CFO

Email: kkubota@medexhco.com