

Pacific Health Care Organization, Inc. Reports First Quarter 2014 Results

NEWPORT BEACH, Calif., May 13, 2014 (GLOBE NEWSWIRE) – Pacific Health Care Organization, Inc., (the “Company”) (OTCQB: PFHO) today announced its financial results for the first quarter ended March 31, 2014.

Quarterly Results

The Company reported net income of \$446,561, or \$0.56 per basic and fully diluted share for the first quarter ended March 31, 2014 compared to net income of \$203,885, or \$0.25 per basic and fully diluted share, for the first quarter ended March 31, 2013.

Total revenues for the first quarter 2014 were \$2,028,669, compared to \$1,384,110 for the same period in 2013, an increase of \$644,559 or 47 percent.

Net cash provided by operations increased to \$485,203, during the first three months ended March 31, 2014, from net cash used in operations of \$26,795 for the same period in 2013, an increase of \$511,998. Cash balance at March 31, 2014 and 2013 was \$1,731,388 and \$447,198 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 the medical cost of a claim, 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, and Nurse Case Management.

“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 expectations, estimates, projections and assumptions. These statements are not guarantees of future results and involve certain risks and uncertainties which are difficult to predict. Therefore, actual results and trends may vary materially from what is forecast in an forward-looking statement due to a variety of factors, many of which are not within the Company’s control. Additional information regarding these factors is contained in the

Company's filings with the Securities and Exchange 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 annual, quarterly and current reports and other information the Company files with the U.S. Securities and Exchange Commission go to: <http://www.sec.gov/>

Pacific Health Care Organization, Inc.

1201 Dove Street, Suite 300

Newport Beach, California 92660

(949) 721-8272

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

Contact: Fred Odaka – CFO

Email: fodaka@medexhco.com