

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

NEWPORT BEACH, Calif., Aug. 12, 2014 (GLOBE NEWSWIRE) – Pacific Health Care Organization, Inc., (the “Company”) (OTCQB: PFHO) today announced its financial results for the period ended June 30, 2014.

Results

The Company reported net income of \$500,665, or \$0.62 per basic and fully diluted share for the second quarter ended June 30, 2014 compared to net income of \$288,543, or \$0.36 per basic and fully diluted share, for the second quarter ended June 30, 2013. For the first six months of 2014, the Company reported net income of \$947,226 or \$1.18 per basic and fully diluted share, compared to net income of \$492,428 or \$0.61 per basic and fully diluted share for the first six months of 2013.

Total revenues for the second quarter 2014 were \$2,298,211, compared to \$1,592,608 for the same period in 2013, an increase of \$705,603 or 44 percent. For the first six months of 2014, we recorded total revenue of \$4,326,880 compared to total revenues of \$2,976,718 for the same period in 2013, an increase of \$1,350,162, or 45 percent.

Net cash provided by operations increased to \$847,619 during the six months ended June 30, 2014, from \$382,259 for the same period in 2013, an increase of \$465,360 or 122 percent. Cash balance at June 30, 2014 and December 31, 2013 was \$2,049,478 and \$1,265,535, 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 a 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