



Pioneer Behavioral Health Announces Opening of First Phase of Expansion at the Detroit Medical Center

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Management Expects Facility to Contribute to Revenue Growth in Second Fiscal Quarter

PEABODY, Mass., Oct. 14 /PRNewswire-FirstCall/ -- PHC, Inc., d.b.a. Pioneer Behavioral Health (OTC Bulletin Board: PIHC), a leading provider of inpatient and outpatient behavioral health services and pharmaceutical research today announced the opening of the first 30 beds at the Detroit Medical Center. The Company also received its Michigan state approval for the final 54 acute beds completing the necessary steps to open all 114 beds.

This represents the first 30 of 114 planned acute and long-term psychiatric beds at this leased facility. Alexander Luvall, who joined the Company during September as Executive Vice President, will oversee the facility and ensure a smooth commencement of operations.

Bruce A. Shear, Pioneer Behavioral Health's President and Chief Executive Officer, commented, "This announcement represents a milestone achievement for Pioneer, as we have dramatically expanded our inpatient capabilities and capacity in Wayne County with this cooperative lease agreement with the Detroit Medical Center. We will nearly double the number of beds we operate with minimal capital expenditure. In total we estimate capital expenditures of approximately \$500,000 to expand the total of number of beds operated from 130 to 244. Once fully operational, we expect this facility to contribute \$14 million in annualized incremental revenue, and we anticipate contributions during the Company's second fiscal quarter."

Mr. Shear commented, "These new facilities expand our abilities to meet the significant demand we are seeing for our services in Wayne County. More importantly, we are better positioned to serve the clinical needs of Wayne County residents by providing high quality psychiatric services while allowing our patients to stay close to their families throughout their treatment. We have hired and trained the staff, begun admitting patients, and we look forward to providing this important service to the citizens of Wayne County."

About Pioneer Behavioral Health

Pioneer Behavioral Health's core business provides inpatient and outpatient behavioral healthcare services. The company contracts with national insurance companies, major transportation and gaming companies to provide behavioral health services. Pioneer also owns and operates Wellplace.com, a leading Internet-based provider of behavioral health services to consumers and professionals, and Pivotal Research Centers, Inc. a Nationally recognized clinical research company. For more information, please visit our web site at www.phc-inc.com or www.haydenir.com.

This press release may include forward-looking statements that are subject to risks and uncertainties. Forward-looking statements include information about possible or assumed future results of the operations or the performance of the company and its future plans and objectives. Various future events or factors may cause the actual results to vary materially from those expressed in any forward-looking statements made in this press release. These factors and risks are discussed in the company's annual report on Form 10-KSB for the years ended June 30, 2003 and 2002, copies of which were filed with the Securities and Exchange Commission, and in our quarterly reports on Form 10-Q filed with the Securities and Exchange Commission since October 2003.