



## **PHC, Inc.'s Wellplace Subsidiary Awarded Contract by Major Defense Company to Provide Services for a United States Government Agency**

November 14, 2005

### **First Year Smoking Cessation Pilot Program Estimated to Generate \$900,000 in Revenues**

PEABODY, Mass., Nov 14, 2005 /PRNewswire-FirstCall via COMTEX News Network/ -- 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, announced today that in partnership with a major defense contractor, its Wellplace division was awarded a subcontract to provide a tobacco cessation quitline and Internet-based cessation services for a United States Government Agency. This subcontract is designed as part of a four-state research study being conducted to measure the effectiveness of a multifaceted approach to tobacco cessation. The outcome of this study will determine whether the services are carried to a larger population of this Agency. Wellplace began providing services under a one-year agreement, which includes a multi-year provision, in October, 2005 and anticipates generating annual services revenue of approximately \$900,000.

Bruce A. Shear, Pioneer's President and Chief Executive Officer commented, "This is an exciting opportunity to demonstrate the effectiveness of our telephonic and Internet-based services. This opportunity leverages our existing infrastructure and expertise and will favorably impact operating margins. This represents a new and potentially valuable market for us, while providing the opportunity to expand our relationship with this vendor if the outcome of this trial is successful. We possess the experience, know-how and technology infrastructure to be successful, and this agreement evidences the confidence two very large organizations have shown for Wellplace, and the pressing need for a comprehensive smoking cessation program to improve the health and productivity of employees."

There is a three-pronged approach of services to be provided, which will utilize certified cessation counselors to provide 24/7 telephonic counseling, including a complete assessment, motivational and ongoing cessation counseling, a robust website with self-help tools, live chat and educational information, as well as tobacco replacement therapy.

In all cases, the participant will be sent quit kits with tested and validated material that support their specific needs and efforts. In addition, each participant will receive a unique quit plan that is developed between the participant and a certified counselor. Medical consultations will be available between Wellplace medical staff and participants' primary care physicians in order to develop further support and enhance success.

#### **About Pioneer Behavioral Health**

Pioneer Behavioral Health operates companies that provide inpatient and outpatient behavioral health care services, clinical research, Internet, and telephonic-based referral services. The companies contract with national insurance companies, government payors, and major transportation and gaming companies, among others, to provide such services. For more information, please visit [www.phc-inc.com](http://www.phc-inc.com) or [www.haydenir.com](http://www.haydenir.com).

Statement under the Private Securities Litigation Reform Act of 1995:

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. For a discussion of these factors and risks, see the company's annual report on Form 10-K for the most recently ended fiscal year.

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