



Pivotal Research Centers Initiates Large Phase 1 Clinical Trial for Global Pharmaceutical Company

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Potential Contract Value of Over \$1 million if Enrollment Goals are Achieved

Largest in Company's History

PEABODY, Mass., March 13 /PRNewswire-FirstCall/ -- PHC, INC. d/b/a Pioneer Behavioral Health, a leading provider of inpatient and outpatient behavioral health services and pharmaceutical research, (OTC Bulletin Board: PIHC) today announced that its Pivotal Research Centers subsidiary recently initiated a large Phase I study with a Fortune 500 global pharmaceutical company. The contract involves the evaluation of a compound for the treatment of patients with Type 2 (insulin resistant) Diabetes. The trial is being conducted at Pivotal Research Centers' Peoria, Arizona location, which maintains a Phase I facility.

The study is expected to last approximately eight months in duration and, if successfully completed, is expected to generate in excess of \$1.1 million in revenue.

"This is a large, critical path program and demonstrates the capability of Pivotal to win yet another complex and demanding early phase trial from a major pharmaceutical company," commented Michael Colombo, the Chief Executive Officer of Pivotal Research Centers. "This trial is our second Phase I project in 2006 and tracks well with a shift in our portfolio towards more early phase studies. We are very pleased to have won this contract. We expect our expertise in Phase I trials to position Pivotal to win additional business with other customers in the future."

"The pharmaceutical industry, in its effort to generate more data in earlier phase trials, has increased study complexity, adding procedures and efficacy measures to traditional trials. Traditional Phase I units have difficulty in meeting these requirements driving pharmaceutical companies to seek out more specialized facilities. Pivotal Research Centers has developed a niche capability to accommodate this trend," commented Louis Kirby, MD, Pivotal's Medical Director.

"This clinical trial is expected to be accretive to Pioneer during the coming year and represents 25% of the total revenue base Pivotal Research Centers reported during the prior twelve months. This bodes well for our ability to capitalize on incremental early phase opportunities within our clinical research division, augmenting Pivotal's established Phase II through IV business," added Bruce A. Shear, Pioneer's President and Chief Executive Officer.

About Pivotal Research Centers

Established in 1993, Pivotal Research Centers is an established, premier clinical trial site consortium with five locations in four states. Founded by Louis C. Kirby, MD, who serves at its medical director, Pivotal Research Centers specializes in studying neurologic and psychiatric diseases and selected other health conditions. It has performed a combined 650 clinical trials with data used to support the FDA approval of over 40 new drugs.

About Pioneer Behavioral Health

Pioneer Behavioral Health operates companies that provide inpatient and outpatient behavioral health care services, clinical research, and 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 or 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.

Company Contact:
PHC, Inc.
Bruce A. Shear
978-536-2777

Investor Relations Contact:
Hayden Communications, Inc.
Matthew Hayden
858-704-5065

SOURCE PHC, Inc.

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/CONTACT: Bruce A. Shear of PHC, Inc., +1-978-536-2777; or Matthew Hayden of Hayden Communications, Inc., +1-858-704-5065, for PHC, Inc./
/Web site: <http://www.haydenir.com/>
/Web site: <http://www.phc-inc.com/>

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