



PHC Expands Youth Services in Detroit, Michigan With Opening of Capstone Academy in September 2008

July 16, 2008

Facility Expected to Add \$5 Million in Annual Revenue, With a Quick Ramp-Up to Full Occupancy

PEABODY, MA, Jul 16, 2008 (MARKET WIRE via COMTEX News Network) -- PHC, Inc. (AMEX: PHC) d.b.a. Pioneer Behavioral Health, a leading provider of inpatient and outpatient behavioral health services and pharmaceutical research, has announced the early September opening of its Capstone Academy in Detroit, Michigan. Capstone represents the next phase of PHC's efforts to provide expanded residential treatment services to adjudicated youth in the Detroit metropolitan area.

The Capstone Academy is a free-standing 56-bed facility available to adolescent girls and boys, ages 12 to 17, who present with co-occurring disorders or other behavioral challenges. Referrals are by order of the juvenile court.

Capstone more than doubles PHC's inpatient capacity in the area, joining the nearby Detroit Behavioral Institute (DBI), a 50-bed residential facility located within the Detroit Medical Center Campus. DBI has been successfully delivering effective programs and services for treating adjudicated youths since 2004.

Like DBI, the therapeutic environment at Capstone will include family and individual therapy, life skills, medication management counseling, support groups and organized recreational activities. Capstone will provide educational services under the auspices of the local school district. Web-based computer technology and traditional teaching methods will provide the educational component.

"The opening of the Capstone Academy demonstrates our ongoing commitment to provide positive outcomes for youth presently confined and in need of behavioral health services," said Bruce Shear, president and chief executive officer of PHC. "The location of the facility allows our patients to remain close to their families throughout their treatment, an important factor in successful therapy."

"Capstone will function in cooperation with DBI," added Shear, "and we will combine some programs for better economies of scale. We already have a waiting list for Capstone and we expect it to reach capacity quickly."

The new facility has the capacity to generate revenue of more than \$5 million annually. With the addition of Capstone, the company will have more than 20 treatment centers across four states that offer both inpatient and outpatient programs and services.

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 payers, and major transportation and gaming companies, among others, to provide such services. For more information, visit www.phc-inc.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 or Form 10-Q for the Company's recent quarter.

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