



PHC, Inc. Increases Capacity at its Capstone Academy Facility in Response to Strong Demand for Behavioral Health Services

June 30, 2009

PEABODY, Mass.--(BUSINESS WIRE)--Jun. 30, 2009-- PHC, Inc., d.b.a. Pioneer Behavioral Health (NYSE AMEX: PHC), a leading provider of inpatient and outpatient behavioral health services, announced today that capacity at its Capstone facility in Detroit, Michigan has been expanded by 32%, effective immediately, in response to strong demand for the Company's behavioral healthcare services in the area. The increase in total bed capacity from 50 at the previous location to 66 is expected to generate additional revenue in excess of \$1.5 million annually, with improved operating margins as a result of more efficient utilization of PHC's existing infrastructure. Scheduled admissions will have the census at capacity by the end of this week.

"The decision to increase capacity at our Capstone facility reflects strong growth in demand for PHC's core behavioral healthcare services in Michigan, a trend which has resulted in this Facility turning profitable in June," said Alexander Nelson Luvall, Executive Vice President of PHC. "The increase in number of beds will allow us to service those residents that we have been unable to accept currently due to capacity constraints."

The Company also plans to open a new 24-bed substance abuse program at its Harbor Oaks Hospital in New Baltimore, MI in September due to the strong demand for behavioral health related services at the Facility.

About PHC d/b/a Pioneer Behavioral Health

PHC, Inc., d/b/a Pioneer Behavioral Health, is a national healthcare company providing behavioral health services in five states, including substance abuse treatment facilities in Utah and Virginia, and inpatient and outpatient psychiatric facilities in Michigan, Pennsylvania, and Nevada. The company also offers internet and telephonic-based referral services that includes employee assistance programs and critical incident services. Contracted services with government agencies, national insurance companies, and major transportation and gaming companies cover more than one million individuals. Pioneer helps people gain and maintain physical, spiritual and emotional health through delivering the highest quality, most culturally responsive and compassionate behavioral health care programs and 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.

Source: PHC, Inc.

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