



PHC Awarded Contract Worth Minimum of \$1.24 Million to Provide Behavioral Health Services to Salt Lake City Veteran Administration's Medical Center

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Renewals Offer Significant Additional Revenue Opportunity

PEABODY, Mass.--(BUSINESS WIRE)--Aug. 25, 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 it has been awarded a contract by the Salt Lake City Veteran's Administration Medical Center (VA) to provide behavioral health services at the Company's Highland Ridge Hospital in Salt Lake City, Utah. The initial term of the contract is nine months, with six-month renewal periods. PHC is guaranteed a minimum of \$1.24 million under the initial term. Revenue for each six-month contract extension would be \$792,000. Highland Ridge will provide the VA with eight psychiatric and detoxification beds. PHC also has the opportunity to receive additional revenue for providing care for patients beyond the allocated beds on a fee-for-service basis.

"We are pleased to expand our relationship with the VA and to provide needed behavioral health services for the veterans in the Salt Lake City area," said Bruce A. Shear, president and CEO of PHC. "Highland Ridge has a reputation for providing safe, fast and effective detoxification and behavioral health programs, and this contract reflects the long relationship with the VA and the growing awareness on the part of government agencies of the important role that behavioral health services play in improving the quality of life of former members of our armed forces."

Highland Ridge Hospital is a 41-bed psychiatric and chemical dependency treatment facility located in the heart of the Salt Lake Valley. It is the oldest specialty treatment program in the state of Utah. The Hospital expertly evaluates, assesses and treats, clients from across the United States. By employing state-of-the-art treatment and assessment technologies, the Hospital tailors its services to meet the unique needs of each client.

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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