



PHC Secures Rate Increase from Existing Contract with Largest Customer in Southern Nevada

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Increase Will Add More Than \$2 Million to Annual Revenues

PEABODY, Mass., May 9, 2011 /PRNewswire via COMTEX/ --

PHC, Inc., d/b/a Pioneer Behavioral Health (NYSE Amex: PHC), a leading provider of inpatient and outpatient behavioral health services, today announced that effective March 1, 2011, it had instituted a 28% rate increase with a major Las Vegas customer through its Harmony Healthcare unit, which will add approximately \$2.0 million annually to Pioneer's revenues. Harmony Healthcare is the largest provider of behavioral health services to the gaming and transportation industries and through its customers has relationships established with over 21 casino and resort properties to provide mental and behavioral healthcare services to more than 600,000 individuals in southern Nevada.

"This represents an increase to the Company's largest contract, which we originally signed on January 1 2007," said Bruce A. Shear, Pioneer's president and CEO. "As there are no new expenses associated with this increase, it will notably improve our bottom line contribution in the coming quarters and will help us achieve our 10% operating margin target."

About PHC d/b/a Pioneer Behavioral Health

PHC, Inc., d/b/a [Pioneer Behavioral Health](http://www.phc-inc.com), 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.

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SOURCE PHC, Inc., d/b/a Pioneer Behavioral Health