



PHC's Seven Hills Behavioral Institute Increases License Capacity

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License Allows Number of Psychiatric Beds to Increase by 9% Will Add Approximately \$1 Million to Annualized Revenues

PEABODY, Mass., May 12, 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 its Seven Hills Behavioral Institute in Henderson, Nev., has been approved to increase its license from 53 to 58 beds; a 9% increase, which is expected to add over \$1.0 million annually to Pioneer's revenues. The license was secured from Nevada's Bureau of Health Care Quality and Compliance agency and became effective April 29, 2011.

"This designation represents another milestone for Seven Hills and allows us to add to our census and improve our revenue mix," said Bruce A. Shear, Pioneer's president and CEO. "These additional beds will be utilized immediately and Seven Hills continues to be a key revenue driver for us in 2011 and beyond. We are adding \$1 million to our current revenue projections of approximately \$12 million annually for this facility. We also expect gross margins to improve as only minimal staffing changes and incremental costs will be required with the additional bed count."

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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