FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | | | | | | | | | | |
|---------------------|-----------|--|--|--|--|--|--|--|--|--|
| OMB Number: | 3235-0287 | | | | | | | | | |
| Estimated average b | urden | | | | | | | | | |
| hours por rosponso: | 0 5 | | | | | | | | | |

| 1. Name and Addre | 1 0 | Person* | 2. Issuer Name and Ticker or Trading Symbol <u>HEALTHSTREAM INC</u> [HSTM] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) X Director 10% Owner |
|------------------------|--------------------|----------|--|--|
| (Last) 209 10TH AVE | (First) . SOUTH | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year) 03/11/2013 | Officer (give title Other (specify below) below) |
| SUITE 450 | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable |
| (Street) NASHVILLE | TN | 37203 | | Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person |
| (City) | (State) | (Zip) | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | | | 4. Securities Disposed Of | | | 5. Amount of Securities Beneficially Owned Following Reported | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership | |
|---------------------------------|--|---|------|---|------------------------------|---------------|----------|---|---|---|--|
| | C | | Code | v | Amount | (A) or (D) | Price | Transaction(s) (Instr. 3 and 4) | | (Instr. 4) | |
| Common Stock | 03/11/2013 | | М | | 3,500 | A | \$5.99 | 7,500 | D | | |
| Common Stock | 03/11/2013 | | S | | 3,900 | D | \$20.857 | 3,600 | D | | |

 Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transa Code (8) | | of Deri Secu Acq (A) o Disp of (E | osed)) tr. 3, 4 | 6. Date Exerc Expiration Da (Month/Day/Y | ate | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|--|---|------------------------------|---|---|------------------------|--|--------------------|--|--|---|--|--|--|
| | | | | Code | v | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Employee Stock Option (right to buy) | \$5.99 | 03/11/2013 | | М | | | 3,500 | 10/25/2012 | 10/25/2018 | Common Stock | 3,500 | \$0.00 | 0 | D | |

Explanation of Responses:

Remarks:

<u>Deborah Taylor Tate</u>

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

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03/12/2013