



HealthStream Selected to Provide e-Learning Solutions for Banner Health System

NASHVILLE, Tenn.--(BW HealthWire)--Sept. 5, 2001--

Orientation at Banner is transformed with HealthStream's e-learning solutions, resulting in cost savings, increased employee satisfaction, and enhanced customer service.

HealthStream, Inc. (Nasdaq/NM: HSTM), a leading provider of e-learning solutions for the healthcare industry, today announced that it has been selected by Banner Health System to provide e-learning solutions for their 24,500 healthcare professionals employed in their hospital facilities across 14 states. Signing a two-year agreement with HealthStream, Banner Health System is one of the nation's largest non-sectarian, not-for-profit healthcare systems, currently serving more than 50 communities.

"Our rigorous evaluation required us to choose an e-learning platform that would provide maximum flexibility, offer superior courses designed expressly for healthcare organizations, and support our established regulatory and compliance needs. Without question, HealthStream was the definitive winner," said Kevin McVeigh, system director for learning technology, Banner Health System.

In addition to servicing existing employees, HealthStream's e-learning solutions are transforming the orientation process at Banner Health System, streamlining the cycle between the hiring of new candidates and the first day they report to a unit. New hires are now given access to the HealthStream e-learning system upon acceptance of their job and are encouraged to complete the preliminary courses prior to reporting for their first day of work. A blended training approach that incorporates e-learning, classroom lessons, and peer coaching has resulted in significant time and cost savings for Banner Health System, while concurrently increasing employee satisfaction with the entire orientation process.

Observing the impact of HealthStream's e-learning services on employees first-hand, Brenda Schmidt, nurse educator at Banner's North Colorado Medical Center, explained, "We are able to empower our employees by handing back to them the responsibility for their learning. It increases their professionalism, heightens their satisfaction, and is ultimately a major factor in increasing the quality of patient care."

Banner Health System will join the ranks of the growing number of hospital networks that are adopting HealthStream's ASP-based Healthcare Learning Center™, which is comprised of an online library of courseware, a learning management system, and learning services. An innovative authoring tool is also available for custom development of courses. Each hospital facility in the Banner Health System will have a personalized online learning site, thus ensuring seamless delivery of HealthStream's courseware to each end user.

Using HealthStream's platform, healthcare professionals will be able to learn at their own pace, on their own time. "With HealthStream's Healthcare Learning Center™, learning is accelerated, compliance reporting is instantly generated, and our healthcare employees are liberated from endless hours sitting in a classroom away from their first priority--caring for patients," said Kevin McVeigh, system director of learning technology, Banner Health System. "Our customer, after all, is the patient. It's just good business sense to be as close to your customer as possible."

Currently providing e-learning solutions to approximately 20% of the nation's hospital facilities, HealthStream offers a core depth of understanding of the specific training needs of the healthcare industry--which are often marked by rapid change, accreditation mandates, and numerous regulatory requirements. "Our focus on healthcare is a key differentiator among providers of e-learning -- and it's paying off. Major healthcare systems like Banner Health System are reaping the benefits of an e-learning platform uniquely designed to meet their training, compliance, and orientation planning needs," said Michael Pote, senior vice president, HealthStream.

About HealthStream

HealthStream, Inc., based in Nashville, Tennessee, with offices in Denver and Raleigh, is a leading provider of e-learning solutions for the healthcare industry.

Healthcare organizations use HealthStream's e-learning solutions to improve learning, increase compliance, and enhance

organizational effectiveness for nurses, technicians, staff workers, physicians, and all clinical and non-clinical healthcare employees throughout the enterprise. Pharmaceutical and medical device companies use HealthStream's e-learning solutions to launch educational programs and reach healthcare professionals. Content providers use HealthStream's e-learning solutions to expand the reach of their programs worldwide. Healthcare portals for professionals use HealthStream's e-learning solutions to provide an instant, co-branded e-learning Web site for their users. HealthStream can be visited on the Web at www.healthstream.com.

This press release contains forward-looking statements that involve risks and uncertainties regarding HealthStream. Investors are cautioned that such results or events predicted in these statements may differ materially from actual future events or results. Factors that could cause actual events or results to differ from anticipated events or results include HealthStream's limited operating history, its ability to integrate the operations and realize the results of recently completed acquisitions, as well as other risks that are contained in HealthStream's Annual Report on Form 10-K, together with other reports and documents filed from time to time with the Securities and Exchange Commission. Some of these risks and uncertainties relate to HealthStream's ability to: attract and maintain a large base of end users; develop its infrastructure, including additional hardware and software, customer support, personnel and facilities, to support its business; develop and introduce desirable services and compelling content; establish and maintain strategic relationships with content and distribution partners; establish and maintain relationships with sponsors and advertisers; and respond effectively to competitive and technological developments.

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