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HealthStream Announces Launch of Compensation Planner™ Application for Healthcare Organizations

Leader in healthcare talent management offers new compensation management solution to engage and retain healthcare workforce

NASHVILLE, Tenn.--(BUSINESS WIRE)-- HealthStream (NASDAQ: HSTM), a leading provider of workforce, patient experience, and provider solutions for the healthcare industry, announced today its launch of the HealthStream Compensation Planner™, full-featured, SaaS-based application for compensation management in healthcare organizations. With the Compensation Planner's flexible and easy-to-customize design, healthcare organizations can automate time-consuming workflows, eliminate spreadsheets, make the best possible recommendations for salary increases and incentive awards, and simplify budget definition and approval processes—all through an application with the highest levels of accuracy and security.

The tight labor market in the healthcare industry is well documented and employee turnover rates are increasing. In 2015, the current rate of employee turnover in U.S. hospitals is 17.2%, up from 13.5% in 2011. An overwhelming majority (> 89%) of hospitals view employee retention as a "key strategic imperative" and, as a result, compensation management programs are playing an increasingly critical role in hospitals. Employee salary and incentive expenses often comprise the largest expenditure, enterprise-wide. Using the HealthStream Compensation Planner supports the strategic outcomes desired from compensation management, such as engaging and retaining the healthcare workforce.

From a tactical perspective, the HealthStream Compensation Planner automates and streamlines manual compensation workflow tasks—as many healthcare organizations are still using spreadsheets and manual calculations, which bring inherent security and compliance risks to the organization. Compensation managers frequently struggle to standardize pay policies and structures across their facilities and are constantly challenged to ensure that all of their data is complete, accurate, and current. Compensation managers' requirements to competently execute their responsibilities are made significantly easier with the HealthStream Compensation Planner.

"At HealthStream, we understand that the requirements for hospitals' compensation programs can be complex and there's no room for error," said Robert A. Frist, Jr., chief executive officer, HealthStream. "That's why we believe that the HealthStream Compensation Planner™ is a powerful addition to our talent management solutions for HR executives. It's highly configurable, precise, and built with healthcare organizations in mind."

The HealthStream Compensation Planner provides an on-demand, SaaS-based solution that enables healthcare organizations to more effectively align, reward, and retain their talent. It allows organizations to implement complex, multi-level compensation plans that are consistent, fair, and compliant across the enterprise. The HealthStream Compensation Planner can also incorporate salary data from a customer's database or most current salary survey. Managers and compensation planners are able to stay within established budgets, adhering to compensation guidelines and policies. Intuitive, automated workflows are built into the application, enabling managers' access to insightful analytics, dashboards, and decision-making tools to optimize their compensation decisions.

The launch of the HealthStream Compensation Planner adds to HealthStream's expansive talent management suite of solutions for healthcare organizations, which include solutions for learning & professional development, competency management, performance appraisals, recruiting, succession planning, goals management, workforce analytics, and employee communities. Approximately 4.5 million healthcare professionals currently use at least one of HealthStream's talent management solutions, making HealthStream the most widely adopted talent management platform in the healthcare industry. The Company's exclusive focus on meeting the unique needs of the healthcare workforce drives our product development and is, in turn, helping organizations improve the quality of care delivered to patients.

To learn more about the HealthStream Compensation Planner, go to <http://www.healthstream.com/compensation-planner>.

About HealthStream

HealthStream (NASDAQ: HSTM) is dedicated to improving patient outcomes through the development of healthcare organizations' greatest asset: their people. Our unified suite of solutions is contracted by healthcare organizations in the U.S. for workforce development, training & learning management, talent management, credentialing, privileging, provider enrollment, performance assessment, and managing simulation-based education programs. Our patient experience/research solutions provide valuable insight to healthcare providers to meet CAHPS requirements, improve the patient experience, engage their

workforce, and enhance physician alignment. Based in Nashville, Tennessee, HealthStream has additional offices in Laurel, Maryland; Brentwood, Tennessee; Pensacola, Florida; Jericho, New York; and San Diego, California. For more information, visit <http://www.healthstream.com> or call 800-933-9293.

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. This information has been included in reliance on the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such results or events predicted in these statements may differ materially from actual future events or results. These forward-looking statements are based on a variety of assumptions that may not be realized, and which are subject to significant risks and uncertainties, including that the acquisition may not be consummated and that the anticipated financial and strategic benefits of the acquisition may not be realized, as well as risks and uncertainties referenced from time to time in the Company's filings with the Securities and Exchange Commission.

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