



## **HealthStream and Pearson Prentice Hall Partner to Deliver Online Training to Nurse Professionals**

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Online learning modules, representing over 150 critical nursing skills, will be available to hospitals exclusively through HealthStream's learning network of over half-million healthcare professionals

HealthStream, Inc. (Nasdaq/NM:HSTM), a leading provider of learning solutions for the healthcare industry, today announced that it has partnered with Pearson Prentice Hall, a publishing division of Pearson Education (a Pearson company, NYSE: PSO), to develop and distribute over 150 online learning modules to support the education and training of nurse professionals working in healthcare organizations. As partners, the agreement grants HealthStream exclusive rights to distribute the learning module content directly to healthcare organizations, while Pearson Prentice Hall will, concurrently, distribute to educational institutions and government entities. The innovative learning modules will be available to organizations beginning mid-year, 2003.

The learning modules will span a wide range of critical nursing topics, including wound management, documentation, and disease management. With only approximately ten minutes needed to complete an online module, busy nurse professionals can access a "just-in-time" learning solution to enhance skills, cross-certify in other specialties, demonstrate competencies, or pick up a quick knowledge refresher. Delivered via the Internet, this learning pedagogy grants maximum flexibility -- a significant advantage for nurses, who are often faced with challenging schedules and unpredictable work shifts.

Pearson Prentice Hall and HealthStream will co-develop the online learning modules, which will be delivered to healthcare organizations online through the Healthcare Learning Center™, HealthStream's Internet-based learning technology platform. With over a half-million subscribers, HealthStream's learning network of approximately 570 healthcare organizations provides a robust distribution channel to reach hospital-based nurses.

"We are delighted to have the opportunity to partner with HealthStream to develop and deliver online learning modules for nurses. HealthStream's reach into the hospital segment of the healthcare industry, coupled with their strong track record for matching technology with results-oriented learning outcomes, supports our long-standing objective to deliver premier content to healthcare professionals," said Michael McDermott, vice president of new business development, Prentice Hall. "That said, the timing of our partnership is opportune; the desire by hospitals to offer enhanced educational options for nurses is growing -- induced, in part, by a reduced nursing workforce."

The widely publicized nursing shortage -- particularly in the nation's hospitals -- has been met with necessarily inventive responses, many citing education and professional development as the cornerstone of a solution. In the report, "Health Care's Human Crisis: The American Nursing Shortage," the Robert Wood Johnson Foundation conducted a meta-analysis of 16 leading studies and reports from 2000-2001 that all offered solutions to the nursing shortage. The result: expanded educational capacity -- including online learning and increased access to specialties -- was reported as one of eight core recommendations to effectively respond to the serious nursing shortage.

Consistent with that core recommendation, the innovative learning modules that will be co-developed by Pearson Prentice Hall and HealthStream will provide healthcare organizations with a key mechanism to offer expanded educational opportunities to nurses, thus enhancing the likelihood of retention and, in turn, maintaining high-quality patient care. Moreover, the capability of cross-certifying means that nurses can readily train in new areas, which increases their professional skills while, at the same time, often fills urgently needed nursing positions in hospitals.

And, importantly, since the learning modules include an evaluation, they may be used to validate specific nursing competencies. Experienced nurses re-entering the workplace, nurses starting their first position after graduation, or nurses hired from an outsourced agency will find the new learning modules ideally suited to objectively demonstrate proficiencies in specific areas. Given the staffing challenges prompted by the nursing shortage, an objective, efficient means of demonstrating competencies is strongly favored by most other nurses, too -- not only for their own validation -- but also to inspire confidence and improve morale throughout their healthcare organizations.

For hospitals, validating competencies has never been more crucial, given the Joint Commission on Healthcare Organizations' (JCAHO) new accreditation process that is set to go into effect during 2004. Under the new accreditation procedures, JCAHO surveyors will actively examine patient care processes and systems, instead of rote assessment of

standards compliance. Six of the 14 critical focus areas targeted by JCAHO in the new accreditation survey directly rely on nurse professionals' demonstrated competencies. As such, the new online learning modules will provide an efficient means of competency validation for hospitals.

"We believe that Pearson Prentice Hall's commitment to nursing education, along with its wealth of experience in content development, will enable HealthStream to add significant value to nurses working in our Internet-based learning network of hospitals," said Arthur Newman, senior vice president and chief financial officer, HealthStream. "Our partnership represents collaboration at its best: Pearson Prentice Hall's substantial breadth of nursing education content will be joined with HealthStream's depth of reach into the nation's hospitals, thus expediting the transit time to transform knowledge into improved patient care."

#### About HealthStream

HealthStream (NASDAQ:HSTM) is the leading provider of learning solutions for the healthcare industry. Over a half-million healthcare professionals currently subscribe to the Internet-based Healthcare Learning Center™, HealthStream's learning platform. The Company's learning products and services are used by healthcare organizations to meet the full range of their training needs, while, concurrently, supporting their business objectives. Once subscribed to the Healthcare Learning Center™, customers benefit from increased compliance, reduced risks, and improved learning effectiveness. In addition, HealthStream has pioneered a new collaboration with pharmaceutical and medical device companies to assist them in product launch and market education initiatives within the Company's nationwide network of hospital customers. Nine of the top ten medical device companies and eight of the top ten pharmaceutical companies are among the organizations in HealthStream's growing customer base. ([www.healthstream.com](http://www.healthstream.com))

#### About Pearson Education

Educating 100 million people worldwide, Pearson Education is the global leader in integrated education publishing. With such renowned brands as Prentice Hall, Longman, Scott Foresman, Addison Wesley, NCS Pearson, and many others, Pearson Education provides quality content, assessment tools and educational services in all available media to a worldwide marketplace, spanning the learning curve from birth through college and beyond. Pearson Education is part of Pearson (NYSE:PSO), the international media company, whose primary operations include Financial Times Group and the Penguin Group.