



HealthStream Selected by Development Dimensions International to Deliver Online Management Training to Healthcare Professionals

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Through HealthStream's national healthcare organization network, critical leadership skills can now be learned through ASP-based Healthcare Learning Center™

HealthStream, Inc. (Nasdaq:HSTM), a leading provider of e-learning solutions for the healthcare industry, today announced that it has signed an agreement with Development Dimensions International (DDI), a global human resources and consulting firm specializing in leadership development and selection systems design, to launch management training courseware through HealthStream's ASP-based Healthcare Learning Center™. Under the agreement, 28 award-winning courses designed to accelerate the process of developing key leadership skills will be available online to healthcare professionals.

As the healthcare industry continues to change at a record pace, never has the need for skilled leaders been greater in this industry. DDI has responded by expanding into this market through HealthStream's national healthcare organization network by providing a premier, time-tested leadership training curriculum. HealthStream's powerful e-learning platform will deliver DDI's leadership assessment technology with results-oriented leadership courses to healthcare organizations to train all levels of leaders - from supervisors to senior executives.

"As the definitive e-learning leader for the healthcare industry, HealthStream was our first choice to deliver leadership development training to healthcare professionals. The network that HealthStream has built to reach deeply into this vertical market makes our partnership mutually beneficial," said Jeff Del Rossa, director of business development at DDI.

Developing leadership skills through online tools offers many advantages for healthcare organizations. Training time is condensed, resulting in significant cost savings. Marc Rosenberg reports in his book, *e-Learning: Strategies for Delivering Knowledge in a Digital Age*, that e-learning takes 25 to 60 percent less time to convey the same amount of instruction or information as in a classroom. In an environment where patients come first, the need for nurse administrators and staff to be available at all times, compounded by a national nursing shortage, makes e-learning particularly efficient.

Professional leadership development of healthcare management may also assist in retaining employees, avoiding costly recruitment expense. The American Hospital Association recently announced the results of a survey of more than 700 hospitals that concluded that American hospitals are in the midst of a serious workforce shortage, with vacancy rates ranging from 12 percent for laboratory technologists to 21 percent for pharmacists. Retaining management and improving leadership effectiveness are now crucial for the healthcare industry. As a result, HealthStream's ASP-based Healthcare Learning Center™ is increasingly being adopted to support core business strategies for healthcare organizations.

"We are pleased to now offer our healthcare customers the opportunity to train their leaders from DDI's powerful leadership development curriculum," said Michael Pote, senior vice president of HealthStream. "The new partnership further enhances our ability to provide leading-edge solutions to help our hospital customers develop their leadership talent, improve corporate culture, and reduce turnover."

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.

About DDI

Since 1970, DDI has helped thousands of organizations achieve superior business performance through selecting, developing and retaining extraordinary people.

DDI's two major areas of expertise include:

- Helping companies find and hire better people faster.
- Building leadership capacity and capability, enabling organizations to meet their current and emerging business needs.

DDI's innovative solutions, including Web-based technologies, are customized to the needs of each client by a team of 1,000 experienced associates in 70 locations around the world. For more information about DDI, visit www.ddiworld.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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