



HealthStream and Laerdal Medical Form Joint Venture to Support Development of Simulation Education in Healthcare

The new joint venture, *SimVentures*, combines the world's leading provider of resuscitation education products and patient simulators with the leading online hospital-learning network to drive education of healthcare providers through simulation to the next level.

NASHVILLE, Tenn., Jun 23, 2010 (BUSINESS WIRE) -- HealthStream, Inc. (NASDAQ: HSTM), a leading provider of learning and research solutions for the healthcare industry, and Laerdal Medical ("Laerdal"), a global leader in the provision of educational solutions for healthcare providers, today announced the formation of "SimVentures". The joint venture will offer products and services aimed at accelerating the global adoption of simulation-based learning by healthcare providers--with a focus on improving clinical competencies and patient outcomes.

The new venture will offer healthcare providers a range of fully integrated software-as-a-service (SaaS) applications that accelerate development and distribution of simulation content; enable enterprise-wide management of simulation centers, simulators, and programs; and support assessment of the effectiveness of simulation training as part of complete curricula. The new products will leverage the best in simulation technology with the best in healthcare learning and competency management technology for optimal improvements in clinical outcomes. The debut of SimVentures' first new product is anticipated in early 2011.

While simulation has been used by many industries for years (e.g. aviation) and more recently in healthcare, its long-term success in healthcare is dependent on its ability to demonstrably improve staff competency and patient outcomes. Studies have shown that simulation leads to demonstrable improvement in staff competency. The June 2010 issue of *Current Opinion in Critical Care* reports "use of simulation methods during resuscitation training can increase subsequent resuscitation quality"...and "automated feedback during resuscitation has been shown to improve CPR performance." Similarly, the August 2009 issue of *Resuscitation* reports the efficacy of simulation training for basic life support (i.e. CPR) in a study with 5,000+ hospital employees where "the median number of correctly performed chest compressions doubled and self-confidence in basic life support skills improved significantly." Laerdal and HealthStream believe that through the development and delivery of better tools for integration in the competency development curriculum and effective management in healthcare organizations, there will be widespread and sustainable improvement in staff competency and patient outcomes.

For its commitment to saving lives through their innovative products, Laerdal has been honored by the National League for Nursing with its Public Service award. While its classic "Resusci Anne" has become the "gold standard" for educating learners in CPR and basic life support skills, Laerdal has subsequently led with its expanded offering of simulation products for healthcare organizations. It now offers simulators like SimMan, SimBaby, SimNewB, and NeoNatalie manikins that provide key clinical functionality for achieving educational objectives. Not only will SimVentures identify new market needs and develop new products, it will also continue to promote the adoption of Laerdal's current products and integrate them together to build a comprehensive educational solution.

"For 50 years, Laerdal has created innovative products dedicated to helping save lives in the field of acute medicine--and it is in this tradition that we are launching SimVentures with HealthStream," said Tor Morten Osmundsen, Chief Executive Officer, Laerdal Medical. "Globally, Laerdal has pioneered the use of patient simulators for healthcare organizations. When this is coupled with HealthStream's industry-leading learning network of healthcare organizations where approximately 2.1 million healthcare professionals regularly log-on to learn, I believe that SimVentures is well positioned to advance simulation training to the highest level of excellence in learning."

HealthStream's learning platform and management system, currently used by approximately 2.1 million healthcare professionals at over 2,000 healthcare facilities, provides a comprehensive, easy-to-use tool for effectively managing and executing training programs. HealthStream's learning management system provides healthcare organizations with the ability to pre-qualify learners for various training events--which is particularly important for simulation training. Online, automated registration is made available, as well as a robust tool for generating reports. The launch of SimVentures follows HealthStream's successful, established relationship with Laerdal over the last four years with the Company's offering of cardiopulmonary resuscitation (CPR) and emergency cardiovascular care (ECC) training programs for healthcare providers.

"HealthStream's vision is to improve the quality of healthcare by developing the people who deliver care--and I am convinced that patient simulation training will become a primary contributor to better clinical outcomes for patients," said Robert A. Frist,

Jr., Chief Executive Officer, HealthStream. "With the launch of SimVentures, I believe the complementary strengths of Laerdal and HealthStream create a very capable, compelling organization to advance patient simulation training for the healthcare industry. We are excited to work together with Laerdal as we kick off our new joint venture."

About HealthStream

HealthStream (NASDAQ: HSTM) is a leading provider of learning and research solutions for the healthcare industry, transforming *insight into action* to deliver outcomes-based results for healthcare organizations. Through HealthStream's learning solutions--which have been contracted by over two million hospital-based healthcare professionals--healthcare organizations create safer environments for patients, increase clinical competencies of their workforces, and facilitate the rapid transfer of the latest knowledge and technologies. Through our research products, executives from healthcare organizations gain valuable insight about patients' experiences, workforce challenges, physician relations, and community perceptions of their services. Based in Nashville, Tennessee, HealthStream has two satellite offices. For more information about HealthStream's learning and research solutions, visit www.healthstream.com or call us at 800-933-9293.

About Laerdal Medical

Laerdal Medical, one of the world's leading providers of Healthcare Solutions, is dedicated to helping save lives with products and services for Simulation, Airway Management, Immobilization, Basic Life Support, Advanced Life Support, Patient Care, Self-Directed Learning, and Medical Education. Laerdal is pleased to serve all healthcare providers and educators, from the lay rescuer to the medical professional. For more information, visit <http://www.laerdal.com> or call 877-523-7325.

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