



## **HealthStream's Learning Solution Outperforms Competition as Preferred for University HealthSystem Consortium**

NASHVILLE, Tenn., Oct 16, 2002 (BUSINESS WIRE) --

The University HealthSystem Consortium, comprised of the nation's top 87 academic health centers, signs three-year agreement for HealthStream to become its preferred provider of HIPAA training

HealthStream, Inc. (NASDAQ/NM:HSTM), a leading provider of learning solutions for the healthcare industry, today announced that it has been selected by University HealthSystem Consortium (UHC) to offer its Internet-based Healthcare Learning Center™ to UHC's 87 members. According to the three-year agreement, HealthStream's HIPAA (Healthcare Insurance Portability and Accountability Act of 1996) curriculum will be offered as the preferred online learning solution for UHC members to use to become compliant with this legislation. The agreement also offers an expanded learning solution from HealthStream, comprised of additional training services--including Centers for Healthcare Management Excellence and HealthStream's Leadership Practices Survey--a training launch support kit, and extended Healthcare Learning Center™ administrator training services.

By federal mandate, all healthcare organizations are required to become compliant with the much-publicized HIPAA legislation by April of 2003--which calls for a major undertaking to train healthcare employees of its many specifications and requirements. To meet this challenge, UHC conducted a rigorous search for a training solution to offer its members--who are some of the world's most renowned, technologically advanced medical centers. The results of its industry-wide search led to a decision to recommend and offer HealthStream's learning solutions to train member's healthcare personnel, collectively totaling 296,000 employees.

"We are pleased to provide our members with HealthStream's online training tool," says Debra Bragg, vice president for human resources at UHC. "We expect this curriculum will make it easier for our members to comply with HIPAA."

Immediately following the decision to subscribe to the Healthcare Learning Center™, each UHC member will be offered a launch-support kit to support the successful introduction of HealthStream's online learning platform to its employees. At the same time, administrator training will be provided at no charge, with the option of procuring additional training for other team members. On-site system administrators and education directors will have the opportunity to author their coursework to be assigned to their employees through the Healthcare Learning Center™. HealthStream's Leadership Practices Survey will also be offered as a component of its comprehensive management development programs designed for healthcare professionals.

"Singled out to be the preferred provider of online HIPAA training for the impressive roster of our nation's university health systems provides prima facie evidence of the benefits to our customers of HealthStream's singular focus on the healthcare industry," said Michael Pote, senior vice president, HealthStream. "HealthStream currently delivers learning solutions to 11 prestigious university health systems, including Stanford, Yale, and the University of Maryland. I look forward to introducing the Healthcare Learning Center™ to the remainder of UHC's members."

### **About HealthStream**

HealthStream (NASDAQ: HSTM) is the leading provider of learning solutions for the healthcare industry. Over 560 hospitals, representing approximately 450,000 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))

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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