



HealthStream Announces Contracts with Tenet Healthcare Corporation

Nashville, Tenn. (May 10, 2004)—HealthStream, Inc. (NASDAQ/NM: HSTM), the leading provider of learning solutions for the healthcare industry, today announced that it has signed two contracts with Tenet Healthcare Corporation (NYSE: THC), where, under the first contract, Tenet will license the HealthStream Learning Center™ (HLC), the most widely adopted learning platform in hospitals today. The contract extends through December 2005 and thereafter through a series of four annual renewable periods. In the second contract, HealthStream will provide courseware maintenance services for Tenet's 650+ courseware library through May 2007 and thereafter through four annual, renewable periods.

The HealthStream Learning Center will support and manage online and offline learning events, providing a scalable, single system for all education and training activities for Tenet's hospitals. Once the contract is fully implemented as expected in July 2004, HealthStream estimates annualized revenues under the agreements will range between \$1.25 - \$1.50 million, based on Tenet's employee census and the additional services that they may select. Revenue recognition commences when a contract is fully implemented. Approximately two-thirds of the revenues are related to HLC services, with the remainder derived from courseware maintenance services.

"We are pleased to be selected by Tenet Healthcare to support their ongoing employee education initiatives," said Robert A. Frist, Jr., chief executive officer, HealthStream.

About HealthStream

HealthStream (NASDAQ: HSTM) is the leading provider of learning solutions for the healthcare industry. As of March 31, 2004, approximately 875,000 contracted healthcare professionals have selected the Internet-based HealthStream 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 business objectives. Once subscribed to the HealthStream 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)

This press release includes certain forward-looking statements (statements other than solely with respect to historical fact), including statements regarding the estimated financial impact of the agreements with Tenet Healthcare Corporation. These statements are based upon management's beliefs, as well as assumptions made by and data currently available to management. This information has been, or in the future may be, 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. Such forward-looking information should not be regarded as a representation or warranty by the Company that such projections will be realized. Many of the factors that will determine the Company's future results are beyond the ability of the Company to control or predict. Readers should not place undue reliance on forward-looking statements, which reflect management's views only as of the date hereof. The Company undertakes no obligation to update or revise any such forward-looking statements.