

Danbury Hospital Chooses HealthStream's HIPAA Curriculum to Prepare Employees for Upcoming Compliance Mandate

NASHVILLE, Tenn., Aug 21, 2002 (BUSINESS WIRE) --

HealthStream and western Connecticut's largest hospital ink three-year subscription agreement for the Internet-based Healthcare Learning Center[™], including HIPAA, OSHA-mandated, and JCAHO-required training for hospital employees

HealthStream, Inc. (Nasdaq/NM:HSTM), a leading provider of learning solutions for the healthcare industry, today announced that it has been selected by western Connecticut's Danbury Hospital to offer its Internet-based Healthcare Learning Center[™] to their 2,500 employees. According to the three-year agreement, HealthStream's learning solutions selected by Danbury Hospital include a curriculum of regulatory required courseware, along with a HIPAA (Healthcare Insurance Portability and Accountability Act of 1996) curriculum.

As federal legislation, HIPAA goes into effect in April of 2003--and while its overall impact on healthcare organizations has not been fully determined, it clearly presents an immediate training challenge for the nation's hospitals. In a progressive initiative, Danbury Hospital has contracted to launch HealthStream's Internet-based solution, the Healthcare Learning Center[™], to proactively respond to this urgent challenge. The online HIPAA curriculum covers HIPAA compliance courses targeted to specific job categories within a healthcare organization, including Confidentiality and Privacy Under HIPAA for Healthcare Staff, Understanding the Impact of HIPAA on Your Physician Practice, and Confidentiality and Privacy Under HIPAA for Nurses/Clinical Staff.

With the new agreement, Danbury Hospital joins HealthStream's Internet-based learning network of approximately 10 percent of the nation's hospitals, where over 450,000 healthcare professional train online with HealthStream's online learning solution. As the most adopted learning platform in the healthcare industry, the Healthcare Learning Center[™] includes a comprehensive learning management system, along with a library of online courseware, and associated learning services. Course assignment capabilities, course completion tracking (online and classroom-based), and the Authoring Studio are among some of the many features that enable hospitals to enhance compliance and meet accreditation requirements through their subscriptions to HealthStream's Healthcare Learning Center[™].

Along with HIPAA training, HealthStream's Internet-based Healthcare Learning Center[™] will be used by Danbury Hospital's employees to meet regulatory training requirements as mandated by the Occupational Safety & Health Administration (OSHA) and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). Documentation and reporting of the fulfillment of these requirements--which are mandated for all employees throughout the hospital--have traditionally consumed enormous resources, both financially and in staff time. As hospitals seek to trim budgets without sacrificing quality of care to patients, the ability to meet federally mandated training requirements through HealthStream's Healthcare Learning Center[™] is an effective solution, saving both time and money.

Danbury Hospital's decision to subscribe to the Internet-based Healthcare Learning Center[™] is consistent with their strong reputation for healthcare excellence and innovative adoption of technology. As a not-for-profit teaching hospital, Danbury Hospital is the Western Connecticut Affiliate of the Yale Cancer Center, and enjoys clinical affiliations with Yale University School of Medicine, the University of Connecticut School of Medicine, and New York Medical College. Danbury Hospital is the largest employer in the southwestern Connecticut surrounding area, with almost 3,000 employees. Included on their staff are 509 physicians and dentists, 67 house staff physicians, and approximately 600 registered nurses.

"It is gratifying that an organization of the caliber of Danbury Hospital looked to HealthStream to deliver learning solutions to prepare their employees for HIPAA and to meet their OSHA and JCAHO regulatory training requirements," said Michael Pote, senior vice president, HealthStream. "HealthStream is fully committed to helping its customers train effectively to successfully comply with HIPAA's regulations--and all regulatory training requirements. To that end, we look forward to working with Danbury Hospital."

About HealthStream

HealthStream, Inc., with offices in Nashville, Tennessee and Denver, Colorado, is the leading provider of learning solutions for the healthcare industry.

Healthcare organizations use HealthStream's 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 learning solutions to launch educational programs and reach healthcare professionals. Content providers use HealthStream's learning solutions to expand the reach of their programs worldwide. Healthcare portals for professionals use HealthStream's learning solutions to provide an instant, co-branded learning Web site for their users. HealthStream can be visited on the Web at 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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