

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | |
|----------------------------------------------|-----------|
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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Name and Address of Reporting Person* STEAD WILLIAM (Last) (First) (Middle) 211 WILSONIA DRIVE (Street) NASHVILLE TN 37205 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol HEALTHSTREAM INC [HSTM] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) 03/01/2013 | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|---|-------------------------------------------------------------------|------------|--------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 03/01/2013 | | M | | 5,000 | A | \$1.54 | 23,700 | D | |
| Common Stock | 03/01/2013 | | M | | 5,000 | A | \$2.17 | 28,700 | D | |
| Common Stock | 03/01/2013 | | M | | 5,000 | A | \$2.88 | 33,700 | D | |
| Common Stock | 03/01/2013 | | M | | 5,000 | A | \$3.36 | 38,700 | D | |
| Common Stock | 03/01/2013 | | M | | 6,000 | A | \$3.53 | 44,700 | D | |
| Common Stock | 03/01/2013 | | M | | 6,000 | A | \$2.99 | 50,700 | D | |
| Common Stock | 03/01/2013 | | M | | 10,000 | A | \$2.45 | 60,700 | D | |
| Common Stock | 03/01/2013 | | M | | 10,000 | A | \$4.66 | 70,700 | D | |
| Common Stock | 03/01/2013 | | S | | 52,000 | D | \$21.8138 ⁽¹⁾ | 18,700 | D | |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|---|----------------------------------------------------------------------------------------|-------|----------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------|-------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Employee Stock Option (right to buy) | \$1.54 | 03/01/2013 | | M | | | 5,000 | 05/30/2003 | 05/30/2013 | Common Stock | 5,000 | \$0.00 | 0 | D | |
| Employee Stock Option (right to buy) | \$2.17 | 03/01/2013 | | M | | | 5,000 | 05/27/2004 | 05/27/2014 | Common Stock | 5,000 | \$0.00 | 0 | D | |
| Employee Stock Option (right to buy) | \$2.88 | 03/01/2013 | | M | | | 5,000 | 05/26/2005 | 05/26/2015 | Common Stock | 5,000 | \$0.00 | 0 | D | |
| Employee Stock Option (right to buy) | \$3.36 | 03/01/2013 | | M | | | 5,000 | 05/25/2006 | 05/25/2016 | Common Stock | 5,000 | \$0.00 | 0 | D | |
| Employee Stock Option (right to buy) | \$3.53 | 03/01/2013 | | M | | | 6,000 | 05/24/2007 | 05/24/2017 | Common Stock | 6,000 | \$0.00 | 0 | D | |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|---|----------------------------------------------------------------------------------------|-------|----------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------|----------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Employee Stock Option (right to buy) | \$2.99 | 03/01/2013 | | M | | | 6,000 | 05/29/2008 | 05/29/2018 | Common Stock | 6,000 | \$0.00 | 0 | D | |
| Employee Stock Option (right to buy) | \$2.45 | 03/01/2013 | | M | | | 5,000 | 05/28/2010 | 05/28/2017 | Common Stock | 5,000 | \$0.00 | 0 | D | |
| Employee Stock Option (right to buy) | \$2.45 | 03/01/2013 | | M | | | 5,000 | 05/28/2011 | 05/28/2017 | Common Stock | 5,000 | \$0.00 | 0 | D | |
| Employee Stock Option (right to buy) | \$4.66 | 03/01/2013 | | M | | | 5,000 | 06/28/2011 | 06/28/2018 | Common Stock | 5,000 | \$0.00 | 0 | D | |
| Employee Stock Option (right to buy) | \$4.66 | 03/01/2013 | | M | | | 5,000 | 06/28/2012 | 06/28/2018 | Common Stock | 5,000 | \$0.00 | 0 | D | |

Explanation of Responses:

1. This transaction was executed in multiple trades at prices ranging from \$21.56 to \$22.05. The price reported above reflects the weighted average purchase price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transactions were effected.

Remarks:

William Stead

03/04/2013

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.