

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

1. Name and Address of Reporting Person* <u>Sousa Michael</u>  (Last) (First) (Middle) <u>209 10TH AVE. SOUTH</u> <u>SUITE 450</u>  (Street) <u>NASHVILLE TN 37203</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>HEALTHSTREAM INC [ HSTM ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Senior Vice President</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/15/2018</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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)			
Common Stock							13,830	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
Restricted Share Units	\$0.00 <sup>(1)</sup>	05/15/2018		D		11,250		(2)	(3)	Common Stock	11,250	\$0.00	0	D	
Restricted Share Units	\$0.00 <sup>(1)</sup>	05/15/2018		D		5,000		(4)	(3)	Common Stock	5,000	\$0.00	0	D	
Restricted Share Units	\$0.00 <sup>(1)</sup>	05/15/2018		D		4,250		(5)	(3)	Common Stock	4,250	\$0.00	0	D	
Restricted Share Units	\$0.00 <sup>(1)</sup>	05/15/2018		A		35,000		(6)	(3)	Common Stock	35,000	\$0.00	35,000	D	

**Explanation of Responses:**

- Each restricted share unit (RSU) represents the contingent right to receive one share of common stock upon vesting of the unit.
- Represents the cancellation of unvested performance-based RSUs granted to the reporting person on September 24, 2015, which were eligible to vest based on certain annual financial performance criteria for the years ended December 31, 2018 and 2019, as more specifically set forth in the Current Report on Form 8-K filed by HealthStream, Inc. on May 16, 2018.
- Not applicable.
- Represents the cancellation of unvested performance-based RSUs granted to the reporting person on September 24, 2015, which were eligible to vest based on certain financial performance criteria for the five years ended December 31, 2019, as more specifically set forth in the Current Report on Form 8-K filed by HealthStream, Inc. on May 16, 2018.
- Represents the cancellation of unvested performance-based RSUs granted to the reporting person on December 8, 2016, which were eligible to vest based on certain financial performance criteria for the three years ended December 31, 2019, as more specifically set forth in the Current Report on Form 8-K filed by HealthStream, Inc. on May 16, 2018.
- Vesting of these RSUs is contingent upon continued service at the time of vesting and the achievement of certain performance criteria. The performance criteria will be established on an annual basis by the Compensation Committee of the Board of Directors. Up to 10% vest on March 15, 2019 for the period January 1, 2018 through December 31, 2018; up to 15% vest on March 15, 2020 for the period January 1, 2019 through December 31, 2019; up to 20% vest on March 15, 2021 for the period January 1, 2020 through December 31, 2020; up to 25% vest on March 15, 2022 for the period January 1, 2021 through December 31, 2021; and up to 30% vest on March 15, 2023 for the period January 1, 2022 through December 31, 2022. Vesting will be determined based on actual performance. RSUs that do not vest during a performance period may become eligible for vesting during the next performance period.

**Remarks:**

Michael Sousa 05/17/2018  
 \*\* 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.

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