



HealthStream to Deliver Online Learning Solution to Cedars Sinai Medical Center

Nashville, Tenn. (August 29, 2006)—HealthStream, Inc. (NASDAQ: HSTM), a leading provider of learning solutions for the healthcare industry, today announced that it has been selected by Cedars Sinai Medical Center to provide learning solutions to its employees, with a five-year contract signed by both parties. The HealthStream Learning Center™, HealthStream's online learning platform, is expected to be rolled out during the fourth quarter of this year to Cedars Sinai's approximately 5,000 employees who comprise their core clinical staff. HealthStream's Authoring Center™ will also be provided, empowering Cedars Sinai managers to author online courses.

According to the new agreement, HealthStream's Internet-based HealthStream Learning Center will be used by Cedars Sinai'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). With the convenience and accessibility of online learning, HealthStream's regulatory courses cover a wide range of topics, including Pain Management, General Safety, and Emergency Preparedness. Cedars Sinai will also incorporate HealthStream's Patient Safety Course Library into their training program, which includes, for example, courses on Medication Safety, Preventing Patient Falls, and Ventilator Safety.

"Cedars Sinai's firm commitment to quality education and training of our clinical staff is reflected in our decision to use the HealthStream Learning Center," said Robert Messerly RN, Clinical Informatics Coordinator, Cedars Sinai Medical Center. "With Internet-based learning that addresses the specialized educational needs in healthcare—including patient safety—HealthStream will assist us in more efficiently meeting accreditation and compliance requirements."

As the first hospital in California to earn the prestigious Magnet designation, Cedars Sinai Medical Center is one of the largest nonprofit academic medical centers in the Western United States. Ranked among the top 10 non-university hospitals in the nation for its research activities, Cedars Sinai is internationally renowned for its broad spectrum of programs and services as well as breakthroughs in biomedical research and medical education.

"As a world-class healthcare organization, Cedars Sinai's decision to partner with HealthStream further validates our commitment to provide superior learning solutions exclusively for healthcare professionals," commented Robert A. Frist, Jr., chief executive officer, HealthStream. "We look forward to supporting their high level of education excellence through our new partnership."

About HealthStream

HealthStream (NASDAQ: HSTM) is a leading provider of learning solutions for the healthcare industry. Approximately 1,377,000 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, including training and assessment. Once subscribed to the HealthStream Learning Center™, customers benefit from increased compliance, reduce 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. (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. 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. The Company's preliminary financial results, while presented with numerical specificity, are forward-looking statements which are based on a variety of assumptions regarding the Company's operating performance that may not be realized, and which are subject to significant uncertainties and potential contingencies associated with the Company's financial and accounting procedures and other matters referenced from time to time in the Company's filings with the Securities and Exchange Commission. Consequently, such forward-looking information should not be regarded as a representation or warranty by the Company that such projections will be realized.