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Companies Will Continue a Partnership to Offer Online

Continuing Education in New Three-year Agreement

NASHVILLE, Tenn.--(BW HealthWire)--Jan. 8, 2001--HealthStream, Inc. (Nasdaq/NM: HSTM) announced today that the Company has entered into a binding Letter of Understanding with WebMD (Nasdaq/NM: HLTH) that terminates the prior agreements and sets forth a new business arrangement. Under the new, non-exclusive three-year arrangement, HealthStream will be a 'preferred provider' of continuing medical education, continuing education, and board preparation courses for WebMD's professional portal.

Under the new arrangement, financial consideration will be based entirely on revenues generated from the sale of HealthStream's services to WebMD's professional portal customers.

Robert A. Frist, Jr., chief executive officer of HealthStream, said, "We are pleased to be continuing our relationship with WebMD, and we will look forward to providing our world class education through WebMD's professional portal."

About HealthStream

HealthStream, Inc., based in Nashville, Tennessee, with offices in Dallas, Denver, Boston, Houston and Raleigh, is a leading provider of e-learning solutions for the healthcare industry.

Healthcare organizations use HealthStream's e-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 e-learning solutions to launch educational programs and reach healthcare professionals. Content providers use HealthStream's e-learning solutions to expand the reach of their programs worldwide. Healthcare portals for professionals use HealthStream's e-learning solutions to provide an instant, co-branded e-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 Registration Statement on Form S-1, 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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