

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 * <u>NEWMAN ARTHUR E</u> (Last) (First) (Middle) 209 10TH AVE. SOUTH SUITE 450 (Street) NASHVILLE TN 37203 (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) CFO |
| | 3. Date of Earliest Transaction (Month/Day/Year) 08/19/2003 | |
| | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 | | | | | | | | 12,500 | D | |
| Common Stock | 08/19/2003 | | M | | 10,000 | | A | \$1.1 | 22,500 | D |
| Common Stock | | | | | | | | 1,000 | I | Held by children |

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 | | | | | |
| Employee Stock Option (right to buy) | \$6.49 | | | | | | | 06/25/2000 | 01/28/2008 | Common Stock | 16,881 | 16,881 | D | |
| Employee Stock Option (right to buy) | \$6.49 | | | | | | | 01/28/2001 | 01/28/2008 | Common Stock | 15,031 | 15,031 | D | |
| Employee Stock Option (right to buy) | \$6.49 | | | | | | | 01/28/2002 | 01/28/2008 | Common Stock | 31,912 | 31,912 | D | |
| Employee Stock Option (right to buy) | \$6.49 | | | | | | | 01/28/2003 | 01/28/2008 | Common Stock | 31,912 | 31,912 | D | |
| Employee Stock Option (right to buy) | \$6.49 | | | | | | | 01/28/2004 | 01/28/2008 | Common Stock | 33,762 | 33,762 | D | |
| Employee Stock Option (right to buy) | \$1.1 | | | | | | | 09/17/2001 | 09/17/2009 | Common Stock | 25,000 | 25,000 | D | |
| Employee Stock Option (right to buy) | \$1.1 | | | | | | | 09/17/2002 | 09/17/2009 | Common Stock | 25,000 | 25,000 | 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) | \$1.1 | | | | | | | 09/17/2003 | 09/17/2009 | Common Stock | 25,000 | | 25,000 | D | |
| Employee Stock Option (right to buy) | \$1.1 | | | | | | | 09/17/2004 | 09/17/2009 | Common Stock | 25,000 | | 25,000 | D | |
| Employee Stock Option (right to buy) | \$1.315 | | | | | | | 04/16/2004 | 04/16/2011 | Common Stock | 12,500 | | 12,500 | D | |
| Employee Stock Option (right to buy) | \$1.315 | | | | | | | 04/16/2005 | 04/16/2011 | Common Stock | 12,500 | | 12,500 | D | |
| Employee Stock Option (right to buy) | \$1.315 | | | | | | | 04/16/2006 | 04/16/2011 | Common Stock | 12,500 | | 12,500 | D | |
| Employee Stock Option (right to buy) | \$1.315 | | | | | | | 04/16/2007 | 04/16/2011 | Common Stock | 12,500 | | 12,500 | D | |
| Employee Stock Option (right to buy) | \$1.1 | 08/19/2003 | | M | | | 10,000 | 09/17/2001 | 09/17/2009 | Common Stock | 10,000 | \$1.1 | 15,000 | D | |

Explanation of Responses:

Remarks:

Arthur E. Newman

08/19/2003

** 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.