FORM 4

### UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Washington, D.C. 20049

OMB APPROVAL									
OMB Number:	3235-0287								
Fatimated average burden									

0.5

hours per response:

# 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

1. Name and Address of Reporting Person*  DANIELL JAMES						2. Issuer Name and Ticker or Trading Symbol HEALTHSTREAM INC [ HSTM ]										5. Relationship of Reporting Person(s) to Issuer (Check all applicable)				
DANIE	LLL JAIV	<u>1E5</u>			-						L					X Direct	or		10% O	wner
(Last) 132 BRI	Last) (First) (Middle) .32 BRIGHTON CLOSE							est Trar	nsact	tion (Mor	nth/D	Day/Year)			Officer (give title below)		Other ( below)	pecify		
,					4.1	f Ame	endmei	nt, Date	of C	Original F	iled	(Month/D	ay/Year	)	6. Ir	ndividual or	Joint/Group	p Filin	g (Check A	plicable
(Street) NASHV	ILLE T	'N	37205											- 1	X Form filed by One Reporting Person Form filed by More than One Report					
(City)	(5	State)	(Zip)		-											Perso		ire tria	TOTAL REPO	, and
		Tab	le I - Noi	n-Deriv	/ative	e Se	curit	ies Ad	cqu	ired, D	Disp	osed c	of, or	Ben	eficial	y Owne	d			
Date			2. Trans Date (Month/		ar)	2A. Deemed Execution Date, if any (Month/Day/Year)			3. Transact Code (In 8)		4. Securities Acquired (A) Disposed Of (D) (Instr. 3, 5)				Benefic Owned	es ially Following	Form (D) o	wnership n: Direct or Indirect nstr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
										Code	v	Amount		(A) or (D)		Reporte Transac (Instr. 3	tion(s)			
Common	Stock			01/1	7/200	6	01/1	7/2006	6	M		2,775	5	A	\$2.34	39	,948	D		
		7	able II -									sed of onverti				Owned				
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deeme Execution if any (Month/Da	Date,		Transaction Code (Instr.		of		Date Exer piration D onth/Day/	ate		7. Title and Amount of Securities Underlying Derivative Secur (Instr. 3 and 4)			8. Price of Derivative Security (Instr. 5)	9. Numbe derivative Securities Beneficia Owned Following Reported Transacti (Instr. 4)	e s ally g	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	Beneficial Ownership (Instr. 4)
					Code	v	(A)	(D)	Dat Exe	te ercisable		opiration	Title	N O	amount or Jumber of Shares					
Employee Stock Option	\$2.34	01/17/2006	01/17/2	2006	M			2,775	02/	2/04/1999	02	2/04/2006	Comm		2,775	\$2.34	0		D	

**Explanation of Responses:** 

Remarks:

buv)

James Daniell, MD

01/18/2006

\*\* Signature of Reporting Person

Date

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

- $^{\star}$  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.

## LIMITED POWER OF ATTORNEY FOR SECTION 16 REPORTING OBLIGATIONS

### KNOW

ALL MEN BY THESE PRESENTS, that James F. Daniell Jr. has made, constituted and appointed, and by these presents does make, constitute and appoint
Susan A. Brownie as its true and lawful attorney-in-fact, for its and in its name, place and stead, and for its use and benefit, to do all things and to execute all documents necessary to comply with Section 16 reporting requirements for HealthStream, Inc.

It is my intention by this instrument to grant unto said attorney-in-fact full power and authority to do and perform all and every act and thing whatsoever to accomplish the foregoing grant of power as shall be necessary to be done on my behalf as fully to all intents and purposes as I might or could if I was present in person.

This power of attorney may be revoked by the undersigned only by specific revocation endorsed or written hereon, and until such revocation be endorsed or written hereon, all persons may rely upon this power of attorney as being in full force and effect.

### IN WITNESS

THEREOF, I have hereunto set my hand, the 17th day of January 2006.

James F. Daniell, MD