



HealthStream Performance Center Launched, Offering Hospitals a Simple, Cost-effective Performance Management Solution

Innovative, SaaS-based performance management solution provides an automated, paperless performance appraisal process, saving time and money

NASHVILLE, Tenn.--(BUSINESS WIRE)-- HealthStream, Inc. (NASDAQ: HSTM), a leading provider of learning and research solutions for the healthcare industry, today announced the launch of the HealthStream Performance Center™ (HPC or Performance Center), an innovative, software-as-a-service (SaaS) based performance management solution for hospitals. The HPC provides an automated, paperless performance appraisal process, which increases completion rates and consistency with all aspects of hospitals' workforce appraisal processes—enterprise-wide.

"The launch of the HealthStream Performance Center makes an important contribution to our larger suite of talent management and development solutions that also includes HealthStream's Learning Center, Authoring Center, Competency Center, and SimCenter," said Robert A. Frist, Jr., chief executive officer, HealthStream.

Through the Performance Center, hospital managers can effectively monitor and document employee performance, while also optionally soliciting multi-rater assessments for broader feedback from peers and supervisors to utilize in the review process. A series of online, configurable appraisal forms are provided and external forms may be downloaded. Employees are provided with select access to the system to store their achievements, record job history data, and makes notes throughout the year—all which can be useful in their performance appraisals.

Hospital-based employees—like all employees—benefit from having a clear understanding of performance goals, as well as ongoing communication with their managers. The HealthStream Performance Center provides the application that facilitates this process, which promotes an engaged workforce. Employees are informed of the performance expectations that will be used in their evaluations, thus they are measured by exactly what they expected. For managers, employee performance can be more closely aligned with the organization's strategic goals and overall mission.

HealthStream makes the conversion to an online performance management system simple. Using the HPC is intuitive and logical and includes pre-built assessments, ensuring rapid adoption for managers and employees. Reports can be quickly generated that meet HR or Joint Commission reporting requirements. A system of alerts and email reminders are built into the HPC to make sure that deadlines are met and managers are made aware of their completion ratios.

For hospitals already using HealthStream's Learning Center—which is currently over approximately half of the nation's hospitals—there are powerful additional benefits immediately available with the HPC. Since the Learning Center and Performance Center share a common platform, many time-consuming, labor-intensive tasks involved in adoption are eliminated. Enterprise-level data management tasks related to organizational hierarchy and groups, reporting structures, and employee data feeds are already in place within HealthStream's platform. Moreover, user familiarity with the system—among both managers and employees—is already established for Learning Center customers, making the transition easy for everyone.

To learn more about the HealthStream Performance Center, go to www.healthstream.com or call us at 800-933-9293.

About HealthStream

HealthStream (NASDAQ: HSTM) is dedicated to improving patient outcomes through the development of healthcare organizations' greatest asset: their people. Our unified suite of cloud-based software solutions are used by, collectively, over 2.7 million healthcare employees in the U.S. for training & learning management, talent management, performance assessment, and managing simulation-based education programs. Our research solutions provide valuable insight to healthcare providers to meet HCAHPS requirements, engage their workforce, and enhance physician alignment. Based in Nashville, Tennessee, HealthStream has an additional office in Laurel, Maryland. For more information, visit <http://www.healthstream.com> or call 800-933-9293.

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.

HealthStream, Inc.

Mollie Condra, Ph.D., 615-301-3237

Associate Vice President, Investor Relations & Communications

Mollie.condra@healthstream.com

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