


**HealthStream, Inc.****HSTM NASDAQ****Healthcare Facilities**

Market Capitalization USD:

\$283.78 mm**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Robert A. Frist**Age: 45****CEO Since: 1990**

	2009	2010	2011
Base Salary		\$223,333	\$240,000
Discretionary Bonus		\$80,500	\$0
Annual Cash Incentive		\$0	\$85,750
Benefits and Perquisites		\$0	\$0
TOTAL ANNUAL COMPENSATION		\$303,833	\$325,750
Increase in Post-Retirement Benefits		\$0	\$0
Stock Option Awards		\$0	\$0
Stock Awards		\$0	\$0
TOTAL COMPENSATION		\$303,833	\$325,750
Median of Other Named Executive Officers Total Compensation		\$344,133	\$392,725
Value Realized on Exercise of Stock Option		\$0	\$0
Value Realized on Vesting of Stock		\$0	\$0
TOTAL REALIZED EQUITY COMPENSATION		\$0	\$0

Proxy Date: 13 Apr 2012

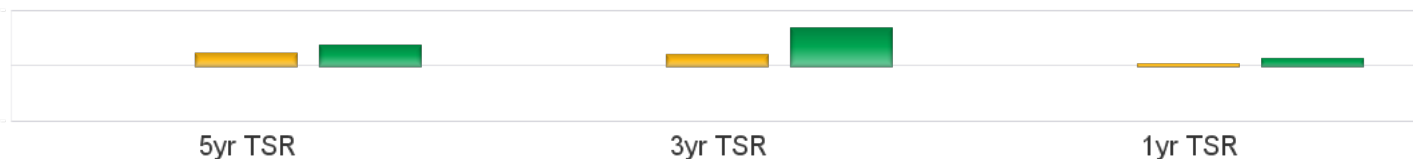
Annual Meeting Date: 24 May 2012

Equity Reserves: 12.41%

Stock Option Run Rate: 1.39%

Performance Comparison

■ S&P500 ■ Industry ■ HSTM



Peer Comparisons (TRBC) =Healthcare Facilities

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
HSTM	HealthStream, Inc.		\$303,833	\$325,750	\$283,782,728
AIRM	Air Methods Corporation	\$993,013	\$2,234,636		\$807,413,786
LTC	LTC Properties, Inc.	\$3,481,251	\$837,149		\$768,223,333
AMSG	AmSurg Corp.	\$1,695,998	\$1,719,398	\$2,280,268	\$704,016,315
HGR	Hanger Orthopedic Group, Inc.	\$2,535,239	\$4,787,455	\$3,380,817	\$632,929,473
ESC	Emeritus Corporation	\$1,600,167	\$2,980,080	\$4,252,150	\$624,686,174
IPCM	IPC The Hospitalist Company, Inc.	\$1,670,840	\$2,380,001		\$586,444,232

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

25 companies with a market focus similar to the Company's, as defined by industry classification and revenue size, and as determined by Pearl Meyer and Partners.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Frank Gordon	Chairman	49	Male	10	Outside Related
C. Martin Harris	Member	55	Male	2	Outside
Thompson S. Dent	Member	62	Male	17	Outside Related