



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

DEC 03 2013

Floyd Bounds
Chief Executive Officer
Bell Memorial Hospital
901 Lakeshore Dr.
Ishpeming, MI 49849

SUBJECT: REQUEST FOR CONSENT TO DIRECT LICENSE TRANSFER

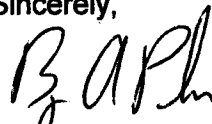
By letter dated September 25, 2013, Bell Memorial Hospital submitted to the U. S. Nuclear Regulatory Commission (NRC) a Request for Consent to Direct License Transfer of NRC Materials License No. 21-02037-03. Based on the information you provided, we understand that as a result of a buyout between Acquisition Bell Hospital, LLC and Bell Memorial Hospital, control of Bell Memorial Hospital was directly transferred to Acquisition Bell Hospital, LLC. We further understand that this transfer will not result in any change to the licensed material, persons using the licensed material, location of use of licensed material, or persons responsible for the licensee's radiation safety program.

Based on the above understandings and as more fully detailed in the enclosed NRC staff's Safety Evaluation Report which documents the NRC staff's review of the request, we have no objection to the transfer. It is our understanding that the effective date of the transfer was December 1, 2013. Please note that you will need to notify us promptly, in writing, confirming when the transaction was finalized and include a signed copy of the agreement of the completed transaction. Also, please include information to support other necessary changes such as a name change. With this information, we can issue an amendment to your NRC license to reflect the transaction, if necessary. Please contact me at 678-828-7050, or by e-mail at bryan.parker@nrc.gov if you have any questions regarding this letter.

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's *expectations* for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/safety-culture.html>. We strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

In accordance with Title 10 of the *Code of Federal Regulations* Section 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

A handwritten signature in black ink, appearing to read "B. A. Parker". The signature is written in a cursive style with a large initial "B" and "P".

Bryan A. Parker
Health Physicist
Materials Licensing Branch

License No. 21-02037-03
Docket No. 030-13856

Enclosure: Safety Evaluation Report

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE NUMBER
21-02037-03, BELL MEMORIAL HOSPITAL**

DATE: 12/03/13

DOCKET NO.: 030-13856

LICENSE NO.: 21-02037-03

LICENSEE: Bell Memorial Hospital
901 Lakeshore Drive
Ishpeming, Michigan 49849

TECHNICAL REVIEWER: Bryan A. Parker, Health Physicist

SUMMARY AND CONCLUSIONS

Bell Memorial Hospital is authorized by NRC License No. 21-02037-03 for the possession and use of byproduct material for medical purposes. The U. S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by Bell Memorial Hospital that will result from a buyout between Acquisition Bell Hospital, LLC and Bell Memorial Hospital. On December 1, 2013, Acquisition Bell Hospital, LLC, an indirect wholly-owned subsidiary of LifePoint Hospitals, Inc., acquired substantially all assets used in the operation of Bell Memorial Hospital. The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML13269A246.

The request for consent was reviewed by NRC staff for direct change in control of a 10 CFR Part 30 license using the guidance in NUREG 1556, Volume 15, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated November 2000. The NRC staff finds that the information submitted by Bell Memorial Hospital sufficiently describes and documents the transaction and commitments made by Acquisition Bell Hospital, LLC and Bell Memorial Hospital.

As required by 10 CFR 30.34 and section 184 of the Atomic Energy Act of 1954, as amended (the Act), NRC staff has reviewed the application and finds that the change in control is in accordance with the Act. The staff finds that, after the change of control, Bell Memorial Hospital remains qualified to use byproduct material for the purpose requested, and will continue to have the equipment, facilities, and procedures needed to protect public health and safety, and promotes the security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Licensing Tracking System (LTS), Bell Memorial Hospital has been an NRC licensee since June 27, 1978. The NRC conducted a main office inspection of Bell Memorial Hospital on June 26, 2012 and no violations were identified during this inspection. The commitments made by Acquisition Bell Hospital, LLC and Bell Memorial Hospital state that Bell Memorial Hospital (License No. 21-02037-03):

- A. will not change the radiation safety officer listed in the NRC license;
- B. will not change the personnel involved in licensed activities;
- C. will not change the locations, facilities, and equipment authorized in the NRC license;
- D. will not change the radiation safety program authorized in the NRC license;
- E. will not change the organization's name listed in the NRC license; and
- F. will keep regulatory required surveillance records and decommissioning records.

LifePoint Hospitals, Inc., of which Acquisition Bell Hospital, LLC is a wholly-owned subsidiary, is a publicly-traded company and currently operates approximately 57 hospital campuses in the United States, including many that hold NRC and Agreement State licenses. Therefore, for security purposes, Acquisition Bell Hospital, LLC is considered a known entity following the guidance provided by the NRC's Office of Federal and State Materials and Environmental Management Programs (FSME) 'Checklist to provide a basis for confidence that radioactive materials will be used as specified on the license', September 3, 2008 revision. The purpose of this checklist is for the NRC to obtain reasonable assurance from new license applicants or NRC licensees transferring control of licensed activities that the licensed material will be used for its intended purpose and not for malevolent use.

Bell Memorial Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 21-02037-03.

REGULATORY FRAMEWORK

Bell Memorial Hospital's License No. 21-02037-03, was issued under 10 CFR Part 30, Rules of General Applicability to Domestic Licensing of Byproduct Material. The Commission is required by 10 CFR 30.34 to determine if the change of control is in accordance with the provisions of the Act and give its consent in writing.

10 CFR 30.34(b) states: "No license issued or granted pursuant to the regulations in this part and parts 31 through 36, and 39 nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing."

As previously indicated, the staff evaluation is based on guidance in NUREG-1556, Volume 15. As discussed in NUREG-1556, Volume 15, NRC is generally using the term "change of control" rather than the statutory term "transfer" to describe the variety of events that could require prior notification and written consent of the NRC. The central issue is whether the authority over the license has changed. Bell Memorial Hospital's request for consent describes direct change of control resulting from a planned buyout between Acquisition Bell Hospital, LLC and Bell Memorial Hospital. On December 1, 2013, Acquisition Bell Hospital, LLC, an indirect wholly-owned subsidiary of LifePoint Hospitals, Inc., acquired substantially all assets used in the operation of Bell Memorial Hospital, and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML13269A246. After completion of the merger, Bell Memorial Hospital continues as the licensee and remains in control of all licensed activities under Materials License No. 21-02037-03. The NRC staff finds that the request for consent adequately provides a complete and clear description of the transaction, and is consistent with the guidance provided in Appendix F of NUREG-1556, Volume 15.

TRANSFEREE'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

The NRC staff finds that the information submitted by Bell Memorial Hospital sufficiently describes and documents the commitments made Acquisition Bell Hospital, LLC and Bell Memorial Hospital, and is consistent with the guidance in NUREG-1556, Volume 15.

ENVIRONMENTAL REVIEW

An environmental assessment for this action is not required since this action is categorically excluded under 10 CFR 51.22(c)(14)(iv).

CONCLUSION

The staff has reviewed the request for consent submitted by both parties with regard to a direct change of control of Byproduct Materials License No. 21-02037-03 and approves the application pursuant to 10 CFR 30.34(b).

The submitted information sufficiently describes the transaction; documents the understanding of the license and commitments; demonstrates that personnel have the experience and training to properly implement and maintain the license and that they will maintain the existing records; And, in the future, will abide by all existing commitments to the license, consistent with the guidance in NUREG-1556, Volume 15.

Therefore, the staff concludes that the change in control will not alter the previous findings, made under 10 CFR Part 30, that licensed operations will not be inimical to the common defense and security, or to the health and safety of the public.