

January 23, 2013

VIA OVERNIGHT COURIER

Bill Reichold
Materials Licensing Branch
United States Nuclear Regulatory Commission Region III
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

Re: Portage Health - Consummation of Transaction (NRC Nuclear Materials License Number 21-18525-01)

Dear Mr. Reichold:

Effective as of **December 1, 2013**, Portage Hospital, LLC ("Buyer") acquired substantially all of the assets that are used in the operation of Portage Health Hospital, an acute care hospital located at 500 Campus Drive, Hancock, MI 49930 (the "Hospital") from Portage Health, Inc., a Michigan non-profit corporation ("Seller"). The Hospital holds Nuclear Materials License: No. 21-18525-01. In connection with this transaction, the parties requested and were granted the NRC's written consent to transfer the Hospital's Nuclear Materials License (No. 21-18525-01) from Seller to Buyer.

On December 20, 2013, we submitted written confirmation that the transaction was finalized effective as of December 1, 2013 and a signed copy of the Bill of Sale evidencing the completed transaction. Per your conversations with Mr. John Jokela, Director of Radiology for the Hospital, we understand that we must also submit letters, signed by both Buyer and Seller, specifically confirming each of items 1-7 on the Change of Control Information fact sheet you provided. Accordingly, please find attached a letter from Buyer and a letter from Seller, each confirming items 1-7 of the Change in Control Information fact sheet.

Thank you in advance for your assistance. If you have any questions or need additional information, please do not hesitate to contact me at 615-850-8880 or by e-mail at caitlyn.davie@wallerlaw.com.

Very truly yours,



Caitlyn Davie
Waller Lansden Dortch & Davis, LLP

CWD:
Enclosure

cc: Jeremy Clark, Esq.
Brandon M. Schirg, Esq.

January 23, 2014

Materials Licensing Branch
United States Nuclear Regulatory Commission Region III
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

Re: Portage Health - NRC Nuclear Materials License No. 21-18525-01

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1. Description of the Transaction.

Effective December 1, 2013, Buyer acquired substantially all of the assets used in the operation of the Hospital from Seller pursuant to the terms of an asset purchase agreement executed by the parties (the “Transaction”). The Buyer is an indirect subsidiary of LifePoint Hospitals, Inc. (“LifePoint”). LifePoint currently operates nearly 60 Hospital campuses in 20 states.

The doing business as name of the Hospital, Portage Health, is remaining the same. The individual to contact with questions regarding NRC licensed activities at the Hospital is John Jokela, Director of Radiology, who can be reached at 906-483-1405 or jjokela@portagehealth.org.

2. No Personnel Changes.

The officers of Buyer are as follows:

Jeffrey G. Seraphine, President
Thomas H. Butler, Jr., Chief Financial Officer
Victor Giovanetti, Chief Operations Officer
Michael S. Coggin, Senior Vice President and Treasurer
Christopher J. Monte, Vice President
Christy S. Green, Vice President and Secretary

However, the Transaction did not result in any changes in personnel responsible for the Hospital’s radiation safety program, the authorized users, or any other persons identified on the license or in the license application as having responsibility for radiation safety or authorized to use licensed materials.

3. Changes in Location, Equipment, or Procedures.

The Transaction did not result in any changes in organization, locations, facilities, equipment or operating/emergency procedures. In addition, the Transaction did not result in a change in the use, possession, location, or storage of licensed materials.

4. Surveillance Records.

All records are accurate and up to date according to NRC requirements. The last NRC inspection took place on June 25, 2012, with no violations identified. The last physicist inspection took place on March 27, 2013, with no violations identified.

5. Decommissioning and Related Records Transfers.

The Hospital maintains possession below limits such that decommissioning is not necessary. Seller assured Buyer that possession will continue below possession limits. All records were transferred to Buyer on December 1, 2013 and will remain on the Hospital's premises. All surveys and wipe tests indicate that there is no contamination of the facility or equipment. If any contamination occurred prior to December 1, 2013, it will be the responsibility of Seller to decontaminate. Should any contamination occur on or after December 1, 2013, it will be the responsibility of Buyer to decontaminate.

6. Transferee's Commitment to Abide by the Transferor's Commitments

By signature below, the Buyer commits to abide by all constraints, conditions, requirements, representations, and commitments identified in and attributed to the existing Nuclear Materials License as issued to the Hospital. There are no open violations. Should any violations be identified, Buyer will take full responsibility for such items and/or any resulting enforcement actions.

7. Transferor's and Transferee's Agreement to the Transfer.

By signature below, Buyer evidences its consent to the change in ownership of control of the licensed material and activity and the conditions of transfer. Transferee has been made aware of all open inspection items and its responsibility for possible resulting enforcement actions.

If you have further questions, please contact John Jokela, who can be reached at 906-483-1405 or jjokela@portagehealth.org.

Sincerely,



Jeffrey G. Seraphine,
President
Portage Hospital, LLC

January 23, 2014

Materials Licensing Branch
United States Nuclear Regulatory Commission Region III
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

Re: Portage Health - NRC Nuclear Materials License No. 21-18525-01

Dear Sir or Madam:

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1. Description of the Transaction.

Effective December 1, 2013, Buyer acquired substantially all of the assets used in the operation of the Hospital from Seller pursuant to the terms of an asset purchase agreement executed by the parties (the "Transaction"). The Buyer is an indirect subsidiary of LifePoint Hospitals, Inc. ("LifePoint"). LifePoint currently operates nearly 60 Hospital campuses in 20 states.

The doing business as name of the Hospital, Portage Health, is remaining the same. The individual to contact with questions regarding NRC licensed activities at the Hospital is John Jokela, Director of Radiology, who can be reached at 906-483-1405 or jjokela@portagehealth.org.

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Thomas H. Butler, Jr., Chief Financial Officer
Victor Giovanetti, Chief Operations Officer
Michael S. Coggin, Senior Vice President and Treasurer
Christopher J. Monte, Vice President
Christy S. Green, Vice President and Secretary

However, the Transaction did not result in any changes in personnel responsible for the Hospital's radiation safety program, the authorized users, or any other persons identified on the license or in the license application as having responsibility for radiation safety or authorized to use licensed materials.

3. Changes in Location, Equipment, or Procedures.

The Transaction did not result in any changes in organization, locations, facilities, equipment or operating/emergency procedures. In addition, the Transaction did not result in a change in the use, possession, location, or storage of licensed materials.

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All records are accurate and up to date according to NRC requirements. The last NRC inspection took place on June 25, 2012, with no violations identified. The last physicist inspection took place on March 27, 2013, with no violations identified.

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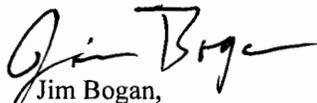
By signature on the enclosed letter, the Buyer commits to abide by all constraints, conditions, requirements, representations, and commitments identified in and attributed to the existing Nuclear Materials License as issued to the Hospital. There are no open violations. Should any violations be identified, Buyer will take full responsibility for such items and/or any resulting enforcement actions.

7. Transferor's and Transferee's Agreement to the Transfer.

By signature below, Seller evidences its consent to transfer the Hospital's Nuclear Materials License to Buyer as of December 1, 2013.

If you have further questions, please contact John Jokela, who can be reached at 906-483-1405 or jjokela@portagehealth.org.

Sincerely,



Jim Bogan,
President/CEO

Portage Health, Inc.



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

NOV 25 2013

Paul Anthony Lyle, M.D.
Radiation Safety Officer
Portage Hospital
500 Campus Drive
Hancock, MI 49930

SUBJECT: REQUEST FOR CONSENT TO DIRECT LICENSE TRANSFER

Dear Dr. Lyle:

By the two letters dated September 30, 2013, Portage Hospital submitted to the U. S. Nuclear Regulatory Commission (NRC) a Request for Consent to Direct License Transfer of NRC Materials License 21-18525-01. Based on the information provided, we understand that all of Portage Hospital's assets will be purchased by Portage Hospital, LLC an indirect subsidiary of LifePoint Hospitals, Inc. This transaction will result in control of Portage Hospital being directly transferred to Portage Hospital, LLC an indirect subsidiary of LifePoint Hospitals, Inc. We further understand that this transfer will not result in any change to the name, licensed materials, persons using the license 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, the NRC consents to the direct transfer of control.

Please provide confirmation in writing within 30 days after the transfer of ownership and control is completed and provide the change of ownership and control information (copy enclosed). Also, please request an amendment, if needed, to reflect any changes to the license, for example a change in the name of the licensee.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and enclosures 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>.

P.A. Lyle

Please contact me at 630-829-9839 if you have any questions.

Sincerely,



William P. Reichhold
Materials Licensing Branch
Division of Nuclear Materials Safety

License No. 21-18525-01
Docket No. 030-13827

Enclosures:

1. Safety Evaluation Report
2. Change of Control Information

cc w/encls: Caitlyn Davie
Waller Lansden Dortch and Davis, LLP

Change of Control Information

Control: Control of a license is in the hands of the person or persons who are empowered to decide when and how that license will be used. That control is to be found in the person or persons who, because of ownership or authority explicitly delegated by the owners, possess the power to determine corporate policy and thus the direction of the activities under the license.

Transferee: A transferee is an entity that proposes to purchase or otherwise gain control of an NRC-licensed operation.

Transferor: A transferor is an NRC licensee selling or otherwise giving up control of a licensed operation.

Licensees must provide full information and obtain NRC's **prior written consent** before transferring control of the license. Provide the following information concerning changes of control by the applicant (transferor and/or transferee, as appropriate). If any items are not applicable, so state.

1. Provide a complete description of the transaction (transfer of stocks or assets, or merger). Indicate whether the name has changed and include the new name. Include the name and telephone number of a licensee contact who NRC may contact if more information is needed.
2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel.
3. Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.
4. Describe the status of the surveillance program (surveys, wipe tests, quality control) at the present time and the expected status at the time that control is to be transferred.
5. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.
6. Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.
7. Provide documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 21-18525-01, Portage Hospital**

DATE: 11/12/2013
DOCKET NO.: 030-13827
LICENSE NO.: 21-18525-01
LICENSEE: Portage Hospital
500 Campus Drive
Hancock, MI 49930

TECHNICAL REVIEWER: William P. Reichhold

SUMMARY AND CONCLUSIONS

Portage Hospital is authorized by NRC License 21-18525-01 for the possession and use of byproduct material for medical purposes. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent of a direct license transfer submitted by Portage Hospital that will result from a sale of all assets to Portage Hospital, LLC an indirect subsidiary of LifePoint Hospitals, Inc. The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) accession numbers ML13275A626 and ML 13274A679.

The request for consent was reviewed by NRC staff for a 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 Portage Hospital sufficiently describes and documents the transaction and commitments made by Portage Hospital, LLC an indirect subsidiary of LifePoint Hospitals, Inc. and Portage 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 proposed change in control is in accordance with the Act. The staff finds that, after the change of control, Portage Hospital will remain 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 NRC's Web-Based Licensing (WBL), Portage Hospital has been an NRC licensee since May 2, 1978. The NRC conducted a main facility inspection of Portage Hospital on June 25, 2012, and no violations were identified during this inspection. The commitments made by Portage Hospital, LLC an indirect subsidiary of LifePoint Hospitals, Inc. and Portage Hospital state that Portage Hospital License No. 21-18525-01:

- 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. has been providing healthcare for more than a decade to communities across the United States. Some Lifepoint Hospitals, Inc. already have NRC licenses authorizing the use of byproduct materials for medical purposes. For example, Scott Memorial Hospital, in Scottsburg, Indiana, NRC License 13-26500-01. Therefore, for security purposes, Portage Hospital, LLC an indirect subsidiary of LifePoint Hospitals, Inc. 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.

Portage Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 21-18525-01

REGULATORY FRAMEWORK

Portage Hospital License No. 21-18525-01, 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-I 556, 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. Portage Hospital request for consent describes a direct change of control resulting from a planned sale of all assets to Portage Hospital, LLC an indirect subsidiary of LifePoint Hospitals, Inc., and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession numbers ML ML13275A626 and ML 13274A679. After completion of the sale, Portage Hospital will continue as the licensee and remain in control of all licensed activities under Materials License No. 21-18525-01. 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 Portage Hospital sufficiently describes and documents the commitments made by Portage Hospital, LLC an indirect subsidiary of LifePoint Hospitals, Inc. and Portage 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)(21).

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. 21-18525-01 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 proposed change in control would not alter the previous findings, made under 10 CFR Part 30, that licensed operations will not be harmful to the common defense and security, or to the health and safety of the public.

From: (815) 850-8880 Origin ID: RNCA
 Caitlyn W. Davis
 Waller Lansden Dortch & Davis, LLP
 511 Union Street
 Suite 2700
 Nashville, TN 37219



Ship Date: 24JAN14
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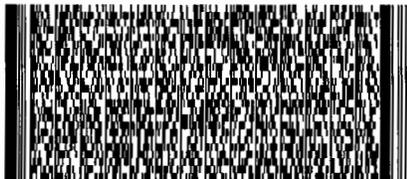


SHIP TO: (630) 829-9500 BILL SENDER
Bill Reichold
U.S. Nuclear Reg Commission
2443 Warrenville Road
Suite 210
LISLE, IL 60532

Ref # 010359-27266
 Invoice #
 PO #
 Dept #

MON - 27 JAN 10:30A
PRIORITY OVERNIGHT

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