

**SAFETY EVALUATION REPORT**  
**PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE**  
**NUMBER**  
**47-17929-01, Fairmont General Hospital**

**DATE:** October 2, 2014

**DOCKET NO.:** 030-13661

**LICENSE NO.:** 47-17929-01

**LICENSEE:** Fairmont General Hospital  
1325 Locust Avenue  
Fairmont, West Virginia 26554-1435

**TECHNICAL REVIEWER:** Janice Nguyen

**SUMMARY AND CONCLUSIONS**

Fairmont General Hospital is authorized by NRC License 47-17929-01 for the possession and medical use of byproduct material for the purpose of diagnostic imaging studies and therapeutic procedures permitted by 10 CFR 35.100, 35.200, 35.300, and 35.400 at 1325 Locust Avenue, Fairmont, West Virginia. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by Fairmont General Hospital that will result from a sale between Fairmont General Hospital (FGH) and Alecto Healthcare Services Fairmont LLC (AHSF). The assets of Fairmont General Hospital were purchased by Alecto Healthcare Services Fairmont LLC, on September 19, 2014, effective September 20, 2014. The licensee will be known as Alecto Healthcare Services Fairmont LLC dba Fairmont Regional Medical Center. The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) package accession number ML14196A339. The ADAMS package consists of the following agency documents: letter dated June 30, 2014 (ML14196A347), telephone conversation record dated August 1, 2014 (ML14218A718), letter dated August 25, 2014 (ML14259A188), letter dated August 29, 2014 (ML14259A228), and a Note to File dated September 30, 2014.

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 Fairmont General Hospital and Alecto Healthcare Services Fairmont LLC sufficiently describes and documents the transaction and commitments made by both parties.

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, the facilities at 1325 Locust Avenue, Fairmont, West Virginia, now operated by Alecto Healthcare Services Fairmont LLC, dba Fairmont Regional Medical Center, 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 promote the security of licensed material.

## **SAFETY AND SECURITY REVIEW**

Alecto Healthcare Services LLC is currently affiliated with two California Department of Public Health licensees. Alecto Healthcare Services acquired controlling ownership interest in Olympia Health Care LLC dba Olympia Medical Center, effective December 31, 2013. Olympia Medical Center has had California Department of Public Health License Number 2404-19 since September 11, 1972. The Supervising Health Physicist of the Radioactive Material Licensing Section, Radiologic Health Branch, California Department of Public Health, confirmed that they had been informed of the change of ownership for Olympia Medical Center, that the license was still valid, and that the November 2010 inspection revealed one minor infraction and that the August 2007 inspection was clear. Alecto Healthcare Services also manages another California licensee, Via Christi Health System, dba Saint Rose Hospital (License Number 1394-01). Saint Rose Hospital has had their license since May 13, 1978. There were no items of non-compliance for Saint Rose Hospital during their last two inspections in June 2013 and August 2010. The commitments made by Alecto Healthcare Services Fairmont LLC (AHSF) and Fairmont General Hospital (FGH) state that, absent NRC approval, Fairmont General Hospital (License No. 47-17929-01):

- 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 change the organization's name listed in the NRC license to Alecto Healthcare Services Fairmont LLC dba Fairmont Regional Medical Center; and
- F. will keep regulatory required surveillance records and decommissioning records.

Alecto Healthcare Services LLC owns and operates Olympia Health Care LLC dba Olympia Medical Center and operates Via Christi Health System dba Saint Rose Hospital under an agreement with the hospital owner. Both hospitals maintain Agreement State licenses with California Department of Public Health for the possession and medical use of byproduct material for the purpose of diagnostic imaging studies and therapeutic procedures permitted by 10 CFR 35.100, 35.200, 35.300, and 35.400 (the same authorizations as Fairmont General Hospital). Therefore, for security purposes, Alecto Healthcare Services 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.

Fairmont General Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 47-17929-01.

## **REGULATORY FRAMEWORK**

Fairmont General Hospital's NRC License No. 47-17929-01 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. Fairmont General Hospital's request for consent describes a direct change of control resulting from a planned sale between Alecto Healthcare Services Fairmont LLC and Fairmont General Hospital. Following the completion of the sale on September 19, 2014, Fairmont General Hospital will directly be owned by Alecto Healthcare Services Fairmont LLC and, as such, the transfer requires NRC consent.

## **DESCRIPTION OF TRANSACTION**

The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) package accession number ML14196A339. The ADAMS package consists of the following agency documents: letter dated June 30, 2014 (ML14196A347), telephone conversation record dated August 1, 2014 (ML14218A718), letter dated August 25, 2014 (ML14259A188), letter dated August 29, 2014 (ML14259A228), and a Note to File dated September 30, 2014. After completion of the sale, Alecto Healthcare Services Fairmont LLC dba Fairmont Regional Medical Center will continue as the licensee and remain in control of all licensed activities under Materials License No. 47-17929-01. 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 Fairmont General Hospital sufficiently describes and documents the commitments made by Alecto Healthcare Services Fairmont LLC and Fairmont General 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)(xi).

## **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. 47-17929-01 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 inimical to the common defense and security, or to the health and safety of the public.