

LATHROP & GAGE_{LLP}

JULIE A. ROTH
DIRECT LINE: 913.451.5118
EMAIL: JROTH@LATHROPGAGE.COM
WWW.LATHROPGAGE.COM

BUILDING 82, SUITE 1000
10851 MASTIN BOULEVARD
OVERLAND PARK, KANSAS 66210-1669
PHONE: 913.451.5100
FAX: 913.451.0875

December 9, 2014

VIA FEDERAL EXPRESS & VIA E-MAIL BRYAN.PARKER@NRC.GOV

U. S. Nuclear Regulatory Commission - Region III
ATTN: Materials Licensing
Bryan A. Parker, Health Physicist
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

Re: Transfer of Control of NRC License Numbers 24-02704-01 (St. Joseph Medical Center), 24-20274-01 (St. Mary's Medical Center), and 24-32245-01 (Carondelet Cardiology Services) (the "Licenses")

Dear Mr. Parker:

This firm represents Prime Healthcare Services, Inc. and its wholly owned subsidiaries Prime Healthcare Services – Kansas City, LLC and Prime Healthcare Services – Blue Springs, LLC.

Prime Healthcare Services – Kansas City, LLC ("Prime") has entered into an Asset Sale Agreement with Carondelet Health, Inc. ("Carondelet Health") to purchase the assets of certain hospitals and other related healthcare businesses currently owned by Carondelet Health located in the Kansas City, Missouri metropolitan area. The transaction includes the assets and activities conducted pursuant to the above referenced Licenses.

This letter is written in follow up to our conversation and subsequent e-mail correspondence on November 12, 2014 regarding notice to the Nuclear Regulatory Commission of transfer of control of the Licenses from Carondelet Health, Inc. to Prime Healthcare Services, Inc. and its subsidiaries.

In accordance with NUREG-1556, Vol 15, App F, we provide the following information on behalf of the purchaser, Prime. Unless otherwise specified, responses apply to all three (3) of the above referenced Licenses.

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- 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.**

Carondelet Health, through its direct and indirect subsidiaries, engages in the business of delivering acute care services to the public through the hospitals known as St. Joseph Medical Center located in Kansas City Missouri and St. Mary's Medical Center located in Blue Springs Missouri as well as other through other businesses, including but not limited to the cardiology services provided at Carondelet Cardiology Services, Inc. a Missouri nonprofit corporation.

Prime and Carondelet Health have executed an Asset Sale Agreement (the "ASA") dated October 13, 2014 pursuant to which Prime will purchase substantially all of the assets used with respect to the operation of the aforementioned healthcare businesses. The sale is scheduled to close on January 2, 2015 (the "Closing Date").

After the Closing Date, activities conducted under License Number 24-02704-01 will operate under the name Prime Healthcare Services – Kansas City, LLC d/b/a St. Joseph Hospital. Activities conducted under License Number 24-20274-01 will operate under the name Prime Healthcare Services – Blue Springs, LLC d/b/a St. Mary's Hospital. Activities conducted under License number 24-32245-01 will operate under the name Prime Healthcare Services – Kansas City, LLC d/b/a Prime Cardiology Services.

For questions regarding the transaction, you may reach me at 913-451-5118 (office); 913-451-0875 (fax); or jroth@lathropgage.com.

- 2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel.**

No changes in personnel or duties that relate to activities conducted under the Licenses are expected to occur as of the Closing Date.

- 3. Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.**

Other than the change of corporate ownership described in item #1 above, there will be no changes in the organization, location, facilities, equipment or procedures that relate to the activities conducted in connection with the Licenses as of the Closing Date.

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.

License Number 24-02704-01 covers Nuclear Medicine and Cardiology patient care activities at St. Joseph Medical Center. Cardinal Health conducts surveys of these activities on a quarterly basis. The last completed survey for Nuclear Medicine activities occurred September 4, 2014. The last completed survey for the Cardiology activities occurred August 18, 2014. Neither survey required corrective action. The Radiation Safety Officer for Nuclear Medicine and Cardiology activities at St. Joseph Medical Center is **Patrick M. O'Toole, M.D.** Written Quality Management plans are maintained for both Nuclear Medicine and Cardiology activities at St. Joseph Medical Center, and the Radiation Safety Officer conducts quarterly reviews including twenty-four (24) quality measures for Nuclear Medicine and twenty-three (23) quality measures for Cardiology.

License Number 24-32245-01 covers patient care activities conducted at Carondelet Cardiology Services, Inc. Cardinal Health conducts surveys of these activities on a quarterly basis. The last completed survey occurred on August 19, 2014. **No corrective action was required.** A written quality management program exists, with twenty-three (23) quality measures. Reviews are conducted quarterly by Radiation Safety Officer, **James E. Sear, M.D.**

License Number 24-20274-01 covers Nuclear Medicine patient care at St. Mary's Medical Center. Surveys are conducted quarterly by Integrated Science Support. The last completed survey for Nuclear Medicine was October 10, 2014. No corrective action was required. A written quality management program exists. Reviews are conducted quarterly by Radiation Safety Officer, **Jim Bergh, M.D.** Sixteen (16) quality measures are reviewed.

It is expected that the current status and schedule of surveys and quality reviews will continue unchanged after the Closing Date.

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.

None of the above referenced locations where licensed activities are conducted are being decommissioned in connection with the Change of Ownership.

Bryan A. Parker
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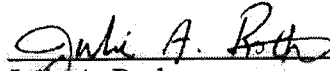
- 6. Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.**

Prime Healthcare Services – Kansas City, LLC and Prime Healthcare Services – Blue Springs, LLC will abide by all constraints, conditions, requirements and commitments that currently apply with respect to the Licenses.

Respectfully submitted,

LATHROP & GAGE LLP

By:


Julie A. Roth

JAR

Tomczak, Tammy

From: Parker, Bryan
Sent: Tuesday, December 09, 2014 6:35 PM
To: Tomczak, Tammy
Subject: FW: Change of Control
Attachments: NRC_001.pdf

Hey Tammy,

Looks like a couple more change-of-controls. Note that she says in the email that we should be receiving the hard copy on Wednesday by FedEx.

Bryan

From: Roth, Julie A. (LG) [mailto:JRoth@LATHROPGAGE.COM]
Sent: Tuesday, December 09, 2014 5:29 PM
To: Parker, Bryan
Subject: RE: Change of Control

Good Evening, Mr. Parker,

Attached, please find our notice to the NRC regarding the change of ownership affecting three (3) licenses currently operated under the Carondelet Health system (St. Joseph Medical Center, St. Mary's Medical Center, and Carondelet Cardiology Services).

A hard copy of this letter will be delivered to Materials Licensing tomorrow via Federal Express.

Please contact me if you have any questions or need additional documentation.

Thank you,
Julie



Julie A. Roth, MHSA, JD, RHIA
10851 Mastin Boulevard
Building 82, Suite 1000
Overland Park, Kansas 66210
P: 913-451-5118 | F: 913-451-0875
JROTH@LATHROPGAGE.COM
www.lathropgage.com/jroth

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From: Parker, Bryan [mailto:Bryan.Parker@nrc.gov]
Sent: Wednesday, November 12, 2014 10:02 AM
To: Roth, Julie A.
Subject: RE: Change of Control

Hey Julie,

As discussed, here is some info re: change-of-control for NRC licenses. Attached you will find 2 versions of the "6 Questions" from NUREG-1556, Vol 15, App F, which is what we use to review/evaluate a change-of-control and/or name change for an NRC licensee.

One version a PDF and the other is a Word document.

Here is a link to the entire Volume 15, for reference: <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1556/>

Normally, we have the licensee address these Questions (or have them addressed by their legal staff) and provide the responses. Ideally, this is done PRIOR to a change-of-control so that we can give consent as required by 10 CFR 30.34(b).

Once we receive notice of a change, we are required to post it on our public website for 30 days before we can provide consent, so please take that time block into consideration as well.

Please use the Region III address noted below in my signature block to mail the response. Please mark it "ATTN: Materials Licensing".

If you have any questions, please let me know.

Bryan

Bryan A. Parker

Health Physicist

U. S. Nuclear Regulatory Commission - Region III

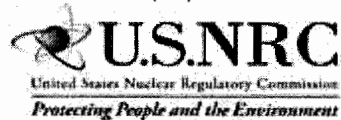
2443 Warrenville Road, Suite 210

Lisle, IL 60532-4352

bryan.parker@nrc.gov

678-828-7050

630-515-1078 (fax)



From: Roth, Julie A. (LG) [<mailto:JRoth@LATHROPGAGE.COM>]

Sent: Wednesday, November 12, 2014 10:53 AM

To: Parker, Bryan

Cc: Roth, Julie A. (LG)

Subject: Change of Control

Hello Bryan,

Thank you so much for speaking with me regarding the process for transferring control of nuclear materials licenses.

As I mentioned, our firm represents Prime Healthcare Services, Inc. and its subsidiary Prime Healthcare Services – Kansas City, LLC, which entered into an asset purchase agreement with Carondelet Health to purchase the assets of St. Joseph Medical Center in Kansas City Missouri and St. Mary's Medical Center in Blue Springs, Missouri.

There are three (3) materials licenses that will be affected by this transaction: 24-02704-01 (St. Joseph Medical Center); 24-20274-01 (St. Mary's Medical Center); and 24-32245-01 (Carondelet Cardiology Services).

I will review Appendix F of NewReg 15-56 Vol. 15 as well as any other guidance that you send, and we will get a request submitted to NRC as soon as possible.

Thank you again for your help,
Julie



Julie A. Roth, MHSA, JD, RHIA
10851 Mastin Boulevard
Building 82, Suite 1000
Overland Park, Kansas 66210
P: 913-451-5118 | F: 913-451-0875
JROTH@LATHROPGAGE.COM
www.lathropgage.com/jroth

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