


**Children's Hospital
of Michigan**

3901 Beaubien Blvd.
Detroit, MI 48201-2119

February 16, 2015

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

RE: NRC License No. 21-03298-06. Response to change of ownership
documentation request.

Dear Mr. Null:

In response to your letter of January 12, 2015 requesting information of the change in ownership of license no. 21-03298-06 (Detroit Medical Center, Children's Hospital of Michigan), I am including documents pertaining to the similar change in ownership of our other NRC Medical license 21-03298-05. These include: A letter dated October 1, 2013 from Radiation Safety Officer Chad Grant to the NRC describing the change in ownership with 3 attachments: A) Organizational chart of Vanguard System prior to 10/01/13; B) Organizational chart of Vanguard Systems after 10/01/13 involving Tenet, and C) Transfer of Control questionnaire. Also included: Response from Colleen Carol Casey of NRC Region III dated March 25, 2014 approving the change of control of byproduct materials license No 21-03298-05 as submitted.

These documents apply directly to license No 21-03298-06 and we submit them in this regard, including the Transfer of Control questionnaire which states that there have been no changes in the operation of our radiation safety program as outlined in our license. Our original amendment request of November 11, 2014 for a name change from "Detroit Medical Center, Children's Hospital of Michigan" to "VHS Children's Hospital of Michigan, Inc." reflects the official name of our facility and allows for consistency with the name on the 21-03298-05 license.

We would, therefore, like to resubmit the amendment request for a name change on our 21-03298-06 license to "VHS Children's Hospital of Michigan, Inc. "

We would also like to delete the following individual from our license:

Kristel J. Baird

RECEIVED FEB 18 2015

Thank you for your consideration of these issues. If you have any questions or require additional information, please contact me at (734) 660-9470 or by email at tmangner@dmc.org.

Sincerely,

A handwritten signature in black ink that reads "Thomas J. Mangner". The signature is written in a cursive style with a large, prominent "T" and "M".

Thomas J. Mangner, Ph.D.
Radiation Safety Officer

Enclosures:

1. Change of ownership request documents License 21-03298-05
2. NRC response to ownership change request.



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

MAR 25 2014

**Chad Grant
Radiation Safety Officer
VHS Children's Hospital of Michigan, Inc.
3901 Beaubien Blvd.
Detroit, MI 48201**

SUBJECT: REQUEST FOR CONSENT TO INDIRECT LICENSE TRANSFER

By letter dated October 1, 2013, VHS Children's Hospital of Michigan, Inc. submitted to the U.S. Nuclear Regulatory Commission (NRC) a request for consent to a license transfer of NRC Materials License No. 21-03298-05. The NRC staff considered this request to be a request for an indirect license transfer, in accordance with NUREG 1556, Vol. 15.

Based on the information you provided, we understand that, as a result of an acquisition on October 1, 2013, control of VHS Children's Hospital of Michigan, Inc. was indirectly transferred to Tenet Healthcare Corporation (Tenet) through Tenet's acquisition of Vanguard Health Systems, Inc. (Vanguard), the ultimate parent entity of VHS Children's Hospital of Michigan, Inc.

We further understand that this transfer resulted in no change to the licensed name, licensed materials, 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 understanding 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.

Please note that, normally, you should have sought NRC's written consent to the change of control prior to its taking place. Then, after obtaining our consent, you would need to notify us promptly, in writing, after the transaction had been finalized and include a signed copy of the agreement confirming completion of the transaction. With this information, we would issue an administrative amendment to your NRC license to reflect the transaction, if necessary.

Please contact me, Colleen Carol Casey, at 630-829-9841 if you have any questions regarding this letter or the enclosed report.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>.

You will be periodically inspected by NRC. Failure to conduct your program in accordance with NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC will result in enforcement action against you.

This could include issuance of a notice of violation, or imposition of a civil penalty, or an order suspending, modifying or revoking your license as specified in the General Statement of Policy and Procedure for NRC Enforcement Actions.

Since serious consequences to employees and the public can result from failure to comply with NRC requirements, prompt and vigorous enforcement action will be taken when dealing with licensees who do not achieve the necessary meticulous attention to detail and the high standard of compliance which NRC expects of its licensees.

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.

Sincerely,



Colleen Carol Casey
Materials Licensing Branch
Region III

Docket No. : 030-13166
License No.: 21-03298-05
Control No.: 582221

Enclosure: As stated

**SAFETY EVALUATION REPORT
CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE NUMBER
21-03298-05, VHS CHILDREN'S HOSPITAL OF MICHIGAN, INC.**

DATE: March 25, 2014

DOCKET NO.: 030-13166

LICENSE NO.: 21-03298-05

LICENSEE: VHS Children's Hospital of Michigan, Inc.
3901 Beaubien Boulevard
Detroit, Michigan

TECHNICAL REVIEWER: Colleen Carol Casey

SUMMARY AND CONCLUSIONS

VHS Children's Hospital of Michigan, Inc. is authorized by NRC License 21-03298-05 for the possession and use of byproduct material for purposes of diagnostic and therapeutic uses in humans in unsealed forms and for "in vitro" clinical diagnosis and laboratory research. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to an indirect license transfer submitted by VHS Children's Hospital of Michigan, Inc. that will result from the acquisition of its ultimate parent entity, Vanguard Health Systems, Inc. (Vanguard) by Tenet Healthcare Corporation (Tenet).

The licensee's request dated October 1, 2013, was not identified explicitly as a "request for an indirect transfer of control" but NRC staff considered that it implicitly constituted such a request. Vanguard sold 100% of its stock, by way of a planned merger, to Tenet. Upon closing, Vanguard became a wholly-owned subsidiary of Tenet, with Tenet as the new ultimate parent of Vanguard and its subsidiaries. Vanguard continues to exist and its downstream subsidiary, VHS of Michigan, Inc., continues to be the owner of VHS Children's Hospital of Michigan, Inc. The indirect transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML13277A708.}

The request for consent dated October 1, 2013, the same date as the transaction, was characterized by the licensee as *not* being a change of ownership or control. However, the request was reviewed by NRC staff and was considered to constitute an indirect change in control of a 10CFR 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 VHS Children's Hospital of Michigan, Inc. sufficiently describes and documents the transaction and commitments made by Vanguard/Tenet and VHS Children's Hospital of Michigan, Inc.

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, VHS Children's Hospital of Michigan, Inc. remains qualified to use byproduct material for the purposes requested, and continues 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), VHS Children's Hospital of Michigan, Inc. has been an NRC licensee since January 11, 1978. The NRC conducted a main office inspection of VHS Children's Hospital of Michigan, Inc. on March 18 - 29, 2013, and no violations were identified during this inspection. The commitments made by Tenet and Vanguard state that VHS Children's Hospital of Michigan, Inc., License No. : 21-03298-05:

- 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.

As a result of this merger, Tenet, the new ultimate parent entity of Vanguard, has multiple subsidiaries, including three other "downstream" subsidiaries/hospitals that possess active NRC licenses, each of which is affected in a similar fashion as VHS Children's Hospital of Michigan.

Each of these subsidiaries/licensees authorize human use of byproduct materials for diagnostic and therapeutic purposes and they are: VHS Harper - Hutzell Hospital, Inc., License No. 21-04127-02; VHS Huron Valley - Sinai Hospital, Inc., License No. 21-24652-01; and VHS Sinai - Grace Hospital, Inc., License No. 21-00299-04.

Therefore, for security purposes, Tenet 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.

VHS Children's Hospital of Michigan, Inc. is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 21-03298-05.

REGULATORY FRAMEWORK

VHS Children's Hospital of Michigan, Inc.'s License No. 21-03298-05, 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-1 556, 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. VHS Children's Hospital of Michigan, Inc.'s request for consent describes an indirect change of control resulting from a planned merger between Vanguard and Tenet, with Tenet as the new ultimate parent entity for Vanguard and its subsidiaries. As of the completion of the merger, which took place on October 1, 2013, VHS Children's Hospital of Michigan, Inc. has, indirectly through Vanguard, become a wholly-owned subsidiary of Tenet and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML13277A708. After completion of the merger, VHS Children's Hospital of Michigan, Inc. has continued as the licensee and remains in control of all licensed activities under Materials License No. 21-03298-05. 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 VHS Children's Hospital of Michigan, Inc. sufficiently describes and documents the commitments made by Tenet and VHS Children's Hospital of Michigan, Inc. 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 an indirect change of control of byproduct materials license No. 21-03298-05 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 has not altered 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.

VIA FACSIMILE (630-515-1259) & FEDERAL EXPRESS DELIVERY

October 1, 2013

Materials Licensing Branch
U.S. Nuclear Regulatory Commission, Region III
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

RE: VHS Children's Hospital of Michigan, Inc.: NRC License No.: 21-03298-05

To Whom It May Concern:

As follow up to conversations with Colleen Carol Casey earlier this week, this letter and attached Transfer of Control Questionnaire serve as notification that the ultimate parent owner of the above-referenced hospital will be involved in a transaction resulting in a new ultimate parent entity. As you will see in Attachment A (Current Ownership Structure), the organizational structure involving the above-referenced hospital includes multiple levels of ownership. Pursuant to the transaction, Vanguard Health Systems, Inc., a publicly traded company, ("Vanguard"), which is the ultimate parent entity of the hospital, has entered into a Plan of Merger to sell 100% of its stock (by way of merger) to Tenet Healthcare Corporation, a publicly traded company ("Tenet"). As shown in Attachment B (New Ownership Structure), upon closing, Vanguard became a wholly-owned subsidiary of Tenet, with Tenet as the new ultimate parent of Vanguard and its subsidiaries. Vanguard continues to exist and its down-stream subsidiary, VHS of Michigan, Inc., continues to be the owner of the above-referenced hospital. Thus, only the ultimate parent entity of Vanguard changed. The transaction occurred on October 1, 2013.

The transaction is not expected to result in any clinical or policy changes affecting the individual hospital or its departments, including the radiation safety programs and types of radioactive materials handled. Additionally, the radiation safety officer and related personnel will not be changing as a result of the transaction.

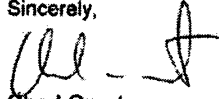
Based on NRC Guidance on the Transfer of Ownership or Control of Licensed Activities, we have concluded that the transaction does not result in a change of ownership or control of the licensed activities; however, out of an abundance of caution, we are submitting this notification. For your reference, attached is the following information:

- Attachment A: Organizational chart that shows the structure of the Vanguard system, including the above-referenced hospitals, prior to October 1, 2013.
- Attachment B: Organizational chart that shows the structure of the Vanguard system, including the above-referenced hospitals, as of and after October 1, 2013.

- Attachment C: Transfer of Control Questionnaire

To further facilitate your review of this transaction, please contact Tammy Woffenden, (512) 305-4776, or Lane Wood, (214) 740-8513, if you have any questions or need any additional information. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chad Grant', with a stylized flourish at the end.

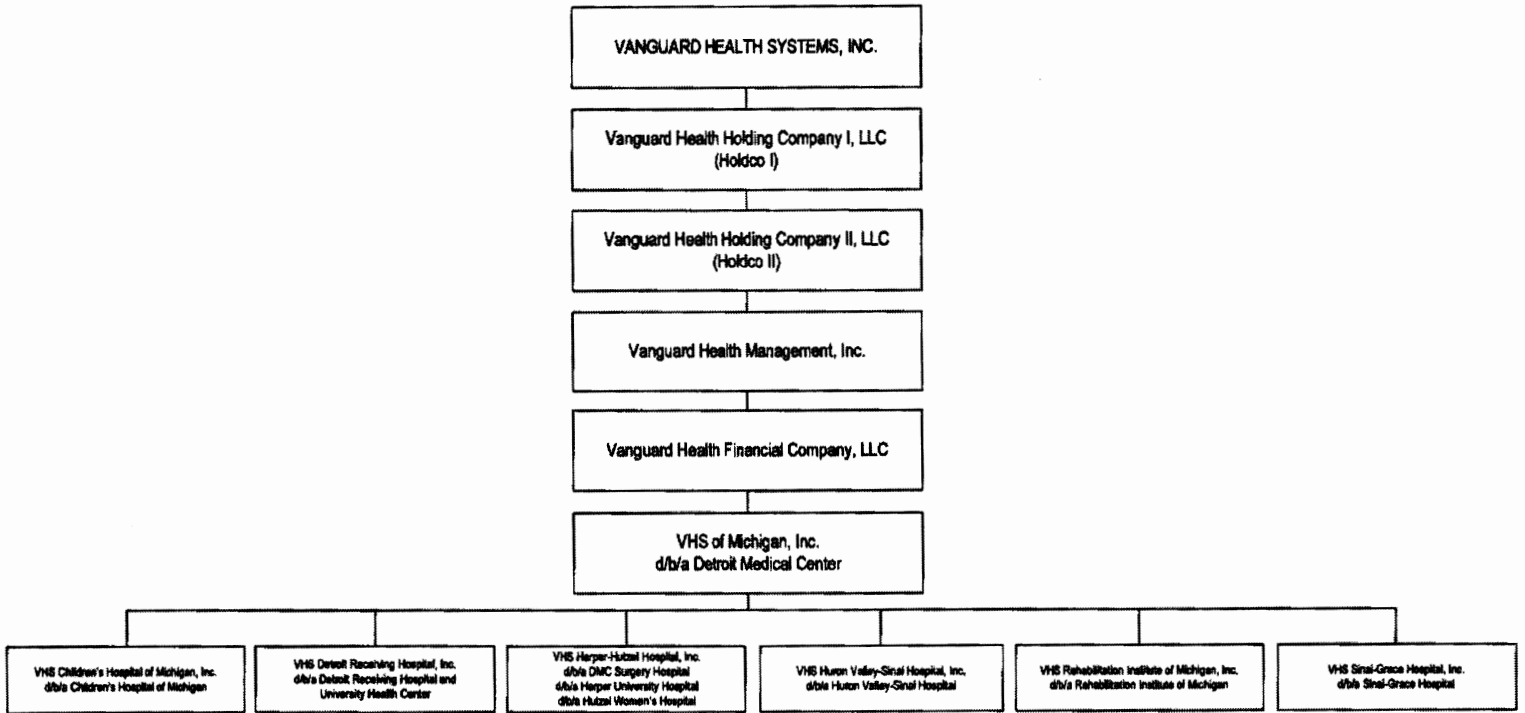
Chad Grant
Radiation Safety Officer

Enclosures

Attachment A



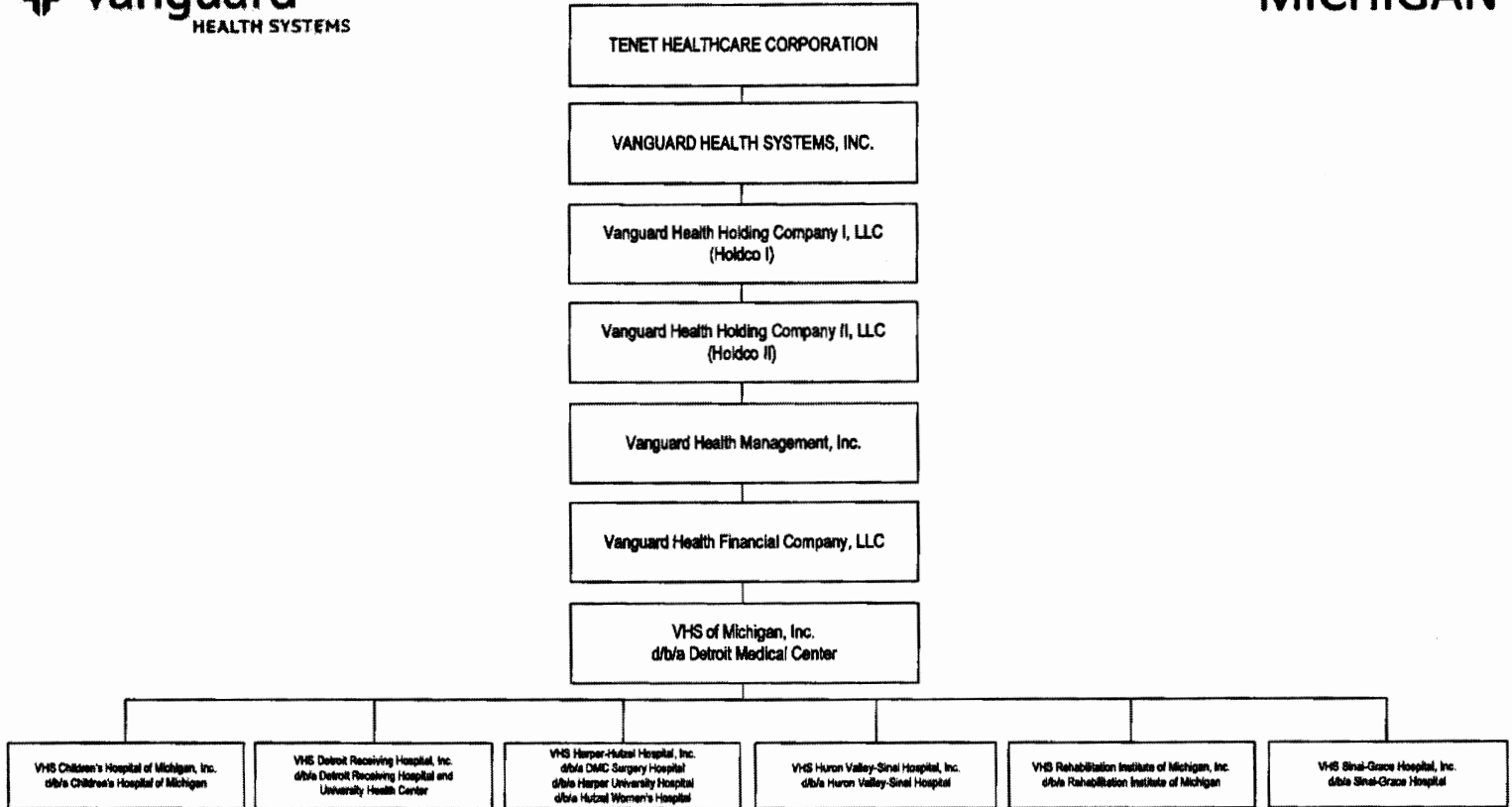
MICHIGAN



Attachment B



MICHIGAN



Attachment C

Transfer of Control Questionnaire

- (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 whom the NRC may contact if more information is needed.

Response: As shown in Attachment A (Current Ownership Structure), the organizational structure involving the hospital includes multiple levels of ownership. Pursuant to the transaction, Vanguard Health Systems, Inc., a publicly traded company, ("Vanguard"), which is the ultimate parent entity of the hospital, has entered into a Plan of Merger to sell 100% of its stock (by way of merger) to Tenet Healthcare Corporation, a publicly traded company ("Tenet"). As shown in Attachment B (New Ownership Structure), upon closing, Vanguard became a wholly-owned subsidiary of Tenet, with Tenet as the new ultimate parent of Vanguard and its subsidiaries. Vanguard continues to exist and its down-stream subsidiary, VHS of Michigan, Inc., continues to be the owner of the licensed hospital. Thus, only the ultimate parent entity of Vanguard changed. The transaction occurred on October 1, 2013.

The hospital, which holds the NRC materials license, will not change name or tax identification number.

You may contact Tammy Woffenden, with Locke Lord, LLP, at 512-305-4776 or Lane Wood, with Locke Lord, LLP, at 214-740-8513 if more information is needed.

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

Response: There will be no changes in personnel named in the license or duties that relate to the licensed program.

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

Response: There will be no 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.

Response: All surveillances and records pertaining to the use of radioactive material were current at the time of transfer and continue as such.

- (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.

Response: All records concerning the safe and effective decommissioning of the facility will remain in control of the current hospital and its licensed radiation control program, as the change in parent control discussed in this Questionnaire does not change the licensed hospital entity, its direct ownership or its radiation control program. Thus, the records will not be "transferred" to another entity.

- (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.

Response: Because the change in parent control discussed in this Questionnaire does not change the licensed hospital entity, its direct ownership or its radiation control program, there is no transfer of the hospital's radioactive materials license. The hospital and its current program, as licensed, agree to continue to abide by all constraints, conditions, requirements, and commitments of the licensed program.

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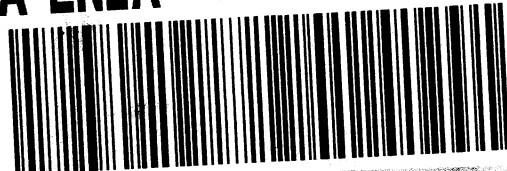
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City DETROIT State MI ZIP 48201

2 Your Internal Billing Reference

3 To
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Company UNITED STATES NUCLEAR REGULATORY
COMMISSION - REGION III
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Express Package Service
NOTE: Service order has changed. Please select carefully.

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FedEx First Overnight
Earliest next business morning delivery to select
locations. Friday shipments will be delivered on
Monday unless SATURDAY Delivery is selected.

FedEx Priority Overnight
Next business morning. *Friday shipments will be
delivered on Monday unless SATURDAY Delivery
is selected.

FedEx Standard Overnight
Next business afternoon.
Saturday Delivery NOT available.

Recipient's Copy

2 or 3 Business Days

FedEx 2Day A.M.
Second business morning.
Saturday Delivery NOT available.

FedEx 2Day
Second business afternoon. *Thursday shipments
will be delivered on Monday unless SATURDAY
Delivery is selected.

FedEx Express Saver
Third business day.
Saturday Delivery NOT available.

5 Packaging * Declared value limit \$500.

FedEx Envelope*

FedEx Pak*

FedEx Box

FedEx Tube

Other

6 Special Handling and Delivery Signature Options

SATURDAY Delivery
NOT available for FedEx Standard Overnight, FedEx 2Day A.M., or FedEx Express Saver.

No Signature Required
Package may be left without
obtaining a signature for delivery.

Direct Signature
Someone at recipient's address
may sign for delivery. Fee applies.

Indirect Signature
If no one is available at recipient's
address, someone at a neighboring
address may sign for delivery. For
residential deliveries only. Fee applies.

Does this shipment contain dangerous goods?
One box must be checked.

No
Yes As per attached
Shipper's Declaration.

Yes
Shipper's Declaration
not required.

Dry Ice
Dry Ice, 3 UN 1845

Cargo Aircraft Only

7 Payment **BN** *bn*

Sender
Acct. No. as Question
will be billed.

Recipient

Third Party

Credit Card

Obtain recip.
Acct. No.

Cash/Check

Total Packages 1

Total Weight 118 lbs.

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