

**SAFETY EVALUATION REPORT**  
**PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE**  
**NUMBER 13-32796-01, Kentuckiana Medical Center**

**DATE:** 03/27/2015

**DOCKET NO.:** 030-38288

**LICENSE NO.:** 13-32796-01

**LICENSEE:** Kentuckiana Medical Center

4601 Medical Plaza Way  
Clarksville, IN 47129

**TECHNICAL REVIEWER:** William P. Reichhold

**SUMMARY AND CONCLUSIONS**

Kentuckiana Medical Center is authorized by NRC License 13-32796-01 for the possession and use of byproduct material for medical purposes. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by Kentuckiana Medical Center that resulted from a reorganization where RL BB-IN KRE OP, LLC became the owner with RL BB-IN KRE, LLC (Rialto) as the sole member and a change of management of Kentuckiana Medical Center through a management services agreement with Galichia Hospital Group. The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML15089A487.

The request for consent was reviewed by NRC staff for a direct 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 Kentuckiana Medical Center sufficiently describes and documents the transaction and commitments made by Rialto and Galichia Hospital Group and Kentuckiana Medical Center.

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, Kentuckiana 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 promotes the security of licensed material.

## **SAFETY AND SECURITY REVIEW**

According to data obtained from NRC's Web-Based Licensing (WBL), Kentuckiana Medical Center has been an NRC licensee since July 12, 2010. The NRC conducted a main office inspection of Kentuckiana Medical Center on June 10, 2014 and one violation regarding hazmat (hazardous materials) training was identified. As corrective action, Kentuckiana Medical Center provided the required hazmat training to the nuclear medicine technologist on the following day June 11, 2014. The commitments made by Rialto and Galichia Hospital Group and Kentuckiana Medical Center state that Kentuckiana Medical Center License No. 13-32796-01:

- 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.

Rialto is a real estate investment company that invests in distressed residential and commercial real estate asset investment, management and turnaround strategies in the United States. Galichia Hospital Group manages other hospitals such as Galichia Heart Hospital. Therefore, for security purposes, Rialto and Galichia Hospital Group are considered known entities 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.

Kentuckiana Medical Center is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 13-32796-01.

## **REGULATORY FRAMEWORK**

Kentuckiana Medical Center License No. 13-32796-01, 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-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. Kentuckiana Medical Center request for consent describes a direct license transfer that resulted from a reorganization where RL BB-IN KRE OP, LLC became the owner with RL BB-IN KRE, LLC (Rialto) the as sole member and a change of management of Kentuckiana Medical Center through a management services agreement with Galichia Hospital Group and, as such, the transfer requires NRC consent.

#### **DESCRIPTION OF TRANSACTION**

The transaction is described in ADAMS accession number ML15089A487. After completion of the direct transfer of control, Kentuckiana Medical Center will continue as the licensee and remain in control of all licensed activities under Materials License No. 13-32796-01. 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 Kentuckiana Medical Center sufficiently describes and documents the commitments made by Rialto and Galichia Hospital Group and Kentuckiana Medical Center, 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. 13-32796-01 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.