



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

Kent T. Lancaster, M.D.
Radiation Safety Officer
Franciscan Healthcare –
Jasper County Indiana Inc.
1104 East Grace Street
Rensselaer, IN 47978

OCT 23 2015

Dear Dr. Lancaster:

This refers to the letter dated July 24, 2015, signed by Tim Schreeg as the CEO for Jasper County Hospital and Terry Wilson as the CEO for Franciscan Alliance. This letter described a change of ownership and control transaction that occurred on September 1, 2015.

This letter describes the transaction as Franciscan Alliance's direct purchase of the assets of Jasper County Hospital.

Our review has concluded that this transaction resulted in a change of ownership and control for Jasper County Hospital and that the transaction has not resulted in any changes that affect the license or licensed program, except for the changed name of the licensee and several Authorized User changes.

Your letter has been reviewed by our staff. We have concluded that Jasper County Hospital has experienced a change of ownership and control involving NRC-regulated materials under your License No. 13-26527-01.

NRC hereby consents to the change of ownership transaction as described in your letter dated July 24, 2015, signed by Tim Schreeg as the CEO for Jasper County Hospital and Terry Wilson as the CEO for Franciscan Alliance.

The changes resulting from this transaction are shown on the enclosed Amendment No. 07.

We appreciate the opportunity to review the description of your change of control letter with respect to compliance with 10 CFR 30.35 (b)(4).

If you have any questions concerning this matter please contact me at either (630) 829-9841 or (800) 522-3025, ext. 9841. My fax number is 630-515-1078. My email address is colleen.casey@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of the enclosed license amendment, Safety Evaluation Report (SER) and this letter 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>.

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

License No. 13-26527-01
Docket No. 030-33299

Enclosures:

1. Amendment No. 07
2. SER dated October 21, 2015

**SAFETY EVALUATION REPORT
CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE NUMBER
13-26527-01, JASPER COUNTY HOSPITAL**

DATE: October 21, 2015

DOCKET NO.: 030-33299

LICENSE NO.: 13-26527-01

LICENSEE: Jasper County Hospital
1104 East Grace Street
Rensselaer, IN 47978

TECHNICAL REVIEWER: Colleen Carol Casey

SUMMARY AND CONCLUSIONS

Jasper County Hospital is authorized by NRC License 13-26527-01 for the possession and use of byproduct material for purposes of diagnostic uses in humans in unsealed forms. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by Jasper County Hospital that resulted from the purchase of the assets of Jasper County Hospital by Franciscan Alliance on September 1, 2015. The licensee's request dated July 24, 2015, did not explicitly identify its letter as a request for "a direct transfer of control" but NRC staff considered that the request implicitly constituted as much.

The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) accession ML15233A496.

The licensee's letter dated July 24, 2015, signed by appropriate management representatives for both parties, requested NRC's consent to the change in control. This letter also contained information pertaining to changes to the affected license that involved a name change for the licensee and several Authorized User changes.

The letter dated July 24, 2015, was reviewed by NRC staff and considered to constitute a request for consent to direct changes 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 Jasper County Hospital sufficiently describes and documents the transaction and commitments made by Jasper County Hospital and Franciscan Alliance.

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 letter dated July 24, 2015, and finds that the change in control was in accordance with the Act. The staff finds that Jasper County Hospital 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 promote the security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Licensing Tracking System (LTS), Jasper County Hospital has been an NRC licensee since November 26, 1993. The NRC conducted an inspection of Jasper County Hospital on July 23, 2015, and no violations were identified during this inspection. The commitments made by Jasper County Hospital and Franciscan Alliance state that Jasper County Hospital License No. 13-26527-01:

- A. has not changed the radiation safety officer listed in the NRC license;
- B. will change some of the personnel involved in licensed activities, in that several Authorized User changes are requested;
- C. will not change the location, facilities, and equipment authorized in the NRC license;
- D. will not change the radiation safety program authorized in the NRC license;
- E. has changed 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 transaction, Franciscan Alliance owns and operates this facility. Therefore, for security purposes, Franciscan Alliance 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.

Jasper County Hospital is not required to have decommissioning financial assurance, based on the types and amount of material authorized in License No. 13-26527-01.

REGULATORY FRAMEWORK

Jasper County Hospital's License No. 13-26527-01 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 in 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.

The Jasper County Hospital request for consent describes a direct change of control resulting from the asset and operations acquisition of Jasper County Hospital to Franciscan Alliance, as the new owner for Jasper County Hospital. As the completion of the transaction took place on September 1, 2015, Jasper County Hospital directly became owned by Franciscan Alliance and, as such, the transfer required NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML15233A496. Since the transaction date of September 1, 2015, Franciscan Alliance has continued as the licensee and remains in control of all licensed activities under Materials License No. 13-26527-01. The NRC staff finds that the request for consent adequately provides complete and clear descriptions 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 Jasper County Hospital sufficiently describes and documents the commitments made by Jasper County Hospital and Franciscan Alliance 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. 13-26527-01 and approves the application pursuant to 10 CFR 30.34(b).

The submitted information sufficiently describes the transaction; documents the understanding of the licensee and commitments; demonstrates that personnel have the experience and training to properly implement and maintain the license and that they have and 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.