

**SAFETY EVALUATION REPORT
PROPOSED TRANSFER OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 06-16624-01, JOHNSON MEMORIAL HOSPITAL**

DATE: December 31, 2015

DOCKET NO.: 030-11353

LICENSE NO.: 06-16624-01

LICENSEE: Johnson Memorial Hospital
201 Chestnut Hill Road
Stafford Springs, Connecticut 06076-0860

TECHNICAL REVIEWER: Janice Nguyen, Senior Health Physicist, Region I

SUMMARY AND CONCLUSIONS

Johnson Memorial Hospital is authorized by NRC License 06-16624-01 for the possession and use of byproduct material for purposes of medical diagnosis and therapy. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by Johnson Memorial Hospital. The direct transfer will result from the assets of Johnson Memorial Hospital, Inc. being purchased by JMH Acquisition Corporation, a Connecticut not-for-profit corporation. Following the closing, JMH Acquisition Corporation will employ substantially all the current employees of Johnson Memorial Hospital, will operate under the name Johnson Memorial Hospital, and will change its corporate name to Johnson Memorial Hospital, Inc. Simultaneous with the transaction described above, the assets of three affiliates of Johnson Memorial Hospital, Inc. (Johnson Memorial Medical Center, Inc., Johnson Health Care, Inc., and Home and Community Health Services, Inc.) are being purchased by Connecticut not-for-profit corporations that are affiliated with JMH Acquisition Corporation. The acquiring companies are the subsidiaries of Trinity Health – New England, Inc., a not-for-profit corporation. The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) package accession number ML15344A415, which includes: letter dated December 3, 2015 (ML15344A443), an email requesting additional information from the transferee dated December 17, 2015, and the transferee's response letter with attachments dated December 18, 2015.

The licensee's request for consent to a direct transfer of ownership was posted for public comment on the NRC website on December 14, 2015, in accordance with 10 CFR Part 2 and following the guidance provided in the NRC's Regulatory Issue Summary 2014-08. Region I is approving the action prior to the 10 CFR 2.1305(b) 30-day public comment period and the 10 CFR 2.309(b)(4) 60-day request for hearing and petition to intervene period because it is in the public's interest. The NRC has confirmed that the licensee is currently in Chapter 11 bankruptcy and has determined that a qualified transferee is prepared to promptly assume the licensee's obligations. The action also involves approval of a minor change to the license; a change in the name of the licensee. All other aspects of the licensed program will remain the same.

The request for consent was reviewed by NRC staff as a direct transfer of control of a 10 CFR Part 30 license using the guidance in NUREG 1556, Volume 15, "Consolidated Guidance About Materials Licenses: Program-Specific 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 Johnson Memorial Hospital sufficiently describes and documents the transaction and commitments made by the licensee.

As required by 10 CFR 30.34(b) 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 transfer of control is in accordance with the Act. The staff finds that, after the transfer of control, JMH Acquisition Corporation d/b/a Johnson Memorial Hospital, 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 common defense and security.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Web Based Licensing system, Johnson Memorial Hospital has been an NRC licensee since April 20, 1993. The NRC conducted an inspection on May 7, 2014, and no violations were identified during the inspection. The commitments made by Johnson Memorial Hospital and Trinity Health – New England, Inc. state that, absent NRC approval, JMH Acquisition Corporation d/b/a Johnson Memorial Hospital:

- A. will not change the radiation safety officer listed on 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 JMH Acquisition Corporation d/b/a Johnson Memorial Hospital; and
- F. will keep regulatory required surveillance records and decommissioning records.

Trinity Health – New England, Inc. is the owner of Saint Francis Hospital and Medical Center (SFHMC), which holds NRC license number 06-00854-03. SFHMC has a medical NRC license, authorizing multiple modalities of medical use of diagnostic studies and therapy procedures. Therefore, for security purposes, Trinity Health - New England, Inc. is considered to be a known entity according to the guidance provided by the NRC's Office of Nuclear Material Safety and Safeguards (NMSS): "Checklist to provide a basis for confidence that radioactive materials will be used as specified on the license," dated September 3, 2008. 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.

¹ Previously the Office of Federal and State Materials and Environment Management Programs (FSME)

Johnson Memorial Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 06-16624-01.

REGULATORY FRAMEWORK

Johnson Memorial Hospital's License No. 06-16624-01 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(b) to determine if the transfer 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. Johnson Memorial Hospital's request for consent describes a direct transfer of control and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The direct transfer of control is described in ADAMS package accession number ML15344A415, which includes: letter dated December 3, 2015 (ML15344A443), email from the NRC requesting additional information from the transferee dated December 17, 2015, and a response letter from the transferee with attachments dated December 18, 2015. After completion of the sale, JMH Acquisition Corporation d/b/a Johnson Memorial Hospital will become the licensee and remain in control of all licensed activities under Materials License No. 06-16624-01. 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.

TRANSFEEE'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

The NRC staff finds that the information submitted by Johnson Memorial Hospital sufficiently describes and documents the commitments made and is consistent with the guidance in NUREG-1556, Volume 15.

ENVIRONMENTAL REVIEW

An environmental assessment for this action is not required because this action is categorically excluded under 10 CFR 51.22(c)(21).

CONCLUSION

The staff has reviewed the request for consent submitted by the licensee with regard to a direct transfer of control of byproduct materials license No. 06-16624-01 and consents to the transaction pursuant to 10 CFR 30.34(b).

The submitted information sufficiently describes the transaction; documents the understanding of the license and commitments of the transferee; and 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 transfer of 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.