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A Professional Corporation
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May 18, 2016

VIA FACSIMILE (630) 515-1078

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

Re: Notice of Change of Ownership of Licensee without Change in
Authority over License
Expedited Request to Confirm No NRC Consent is Needed
NRC License #21-26050-01

Sir or Madam,

Enclosed, please find an expedited notice letter to the Nuclear Regulatory Commission Region III office from Hayes Green Beach Memorial Hospital, license number 21-26050-01, regarding a change in ownership without change in authority.

Sincerely,



Elise J. Arsenault
313-965-7922
elise.arsenault@kitch.com

EJA:

enclosures



www.hgbhealth.com
321 East Harris Street
Charlotte, Michigan 48813
(517) 543-1030

May 18, 2016

VIA FACSIMILE (630) 515-1078

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

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NRC License #21-26050-01

Dear Sir or Madam:

Please accept this notice advising of a change in ownership, and seeking expedited confirmation that the U.S. Nuclear Regulatory Commission's ("NRC") consent to a change of control is not required due to Hayes Green Beach Memorial Hospital's June 30, 2016 change in ownership, but continued operation of the licensed program under the same leadership.

To assist in our request, the following is a description of the contemplated transaction and additional information we believe the NRC will require. Note that no changes are requested with respect to the license.

Hayes Green Beach Memorial Hospital ("HGB") is a critical access hospital serving the people of central Michigan. Currently, HGB is licensed by NRC to use:

- a. Any byproduct material permitted by 10 CFR 35.100 for any uptake, dilution and excretion study;
- b. Any byproduct material permitted by 10 CFR 35.200 for any imaging and localization study.

In the ever-changing health care landscape, HGB has decided it is in the best interest of the community to join with another much larger local and highly regarded health system to provide high-level care to the Eaton County community in accordance with HGB's expectations. In order to facilitate this joint effort, the corporate structure of HGB will change from a nonprofit directorship corporation, which legally has no "owners" but is controlled entirely by a board of directors/trustees, to a nonprofit membership corporation, which is similar to a stock corporation in a nonprofit context.

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As a membership corporation, HGB will have two corporate members. The majority corporate member, having a 66.67% membership interest, will be a recently created nonprofit community foundation directorship corporation named Eaton Community Health ("ECH"). ECH will be controlled by a Board of Directors, the composition of which will be almost identical to the current HGB Board. The minority member, having a 33.33% membership interest, will be Sparrow Health System, a highly regarded non-profit corporation that owns and operates a nonprofit health system in mid-Michigan.

ECH, as majority member, will provide continuity of leadership from HGB, as I will be the CEO for both ECH and HGB, and the two entities will share twelve of HGB's thirteen current Trustees, and will share twelve of HGB's fourteen post-transition Trustees. Consequently, the actual controlling individuals, the Board of Trustees/ Directors, will be almost identical. In fact, the ECH Bylaws require that it have at least 50% common directors with HGB (and ECH intends to have significantly more in common). HGB will carry on and operate the critical access hospital in the same manner as it did before the corporate reorganization.

HGB's leadership will also remain largely the same. In fact, those responsible for the Hospital's administration and for radiation management and safety will not be changed. HGB's Board of Trustees membership will remain largely the same, except that minority member, the Sparrow Health System, will be permitted to appoint one additional Trustee to the Board. ECH will continue to control the leadership of HGB as it will be responsible for filling twelve of the fourteen HGB Trustee positions, when needed. The hospital name, Hayes Green Beach Memorial Hospital, also will not change.

Consequently, while the corporate structure of HGB will change, the day-to-day decision-making will continue to be vested in the same entity (HGB), and the ultimate control over the license will continue to be vested in essentially the same individuals (ECH Board of Directors) post-transition.

In addition to the above description of the transaction, we are providing the following, consistent with our understanding of additional information the NRC will require to act on this request:

1. Description of any changes in personnel or duties that relate to the licensed program, including training and experience for new personnel.

There will not be any changes in personnel or duties that relate to the licensed program arising out of the transaction. HGB intends to add an authorized user in the ordinary course of business, and unrelated to the transition. There are no other personnel changes contemplated for the future.

2. Description of any changes in organization, location, facilities, equipment or procedures that relate to the licensed program.

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There will be no changes in organization, location, facilities, equipment or procedures that relate to the licensed program in connection with this transaction. The organization, location, facilities, equipment, and procedures that relate to the licensed program will remain intact after the transaction.

- 3. Description of 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.**

The surveillance program (surveys, wipe test, quality control) records are complete and up to date. The surveillance program will continue without change following the transaction. Records of program audits are available for review as are the NRC inspection results and there are no open items requiring corrective action at this time.

- 4. Confirmation 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.**

HGB has not decommissioned any facility with respect to its nuclear medicine program and no decommissioning will be performed as a result of the transaction. All records that would be required for possible future decommissioning will remain at HGB and be available to assist in performing decommissioning if it becomes necessary.

- 5. Confirmation 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.**

As the majority transferee will consist of almost identical leadership to the transferor, this request does not match up with the planned transaction. However, see Attachment A for the confirmation of ECH and Sparrow, that when the two entities become the member owners of HGB, they will continue to cause HGB to abide by all constraints, conditions, requirements and commitments HGB has previously made.

- 6. Provide documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.**

As the majority transferee will consist of almost identical leadership to the transferor, this request does not match up with the planned transaction. However, see Attachment A for the confirmation of ECH and Sparrow, that when the two entities

**Re: Notice of Partial Change of Ownership of Licensee and Expedited Request to
Confirm No NRC Consent is Needed**

May 18, 2016

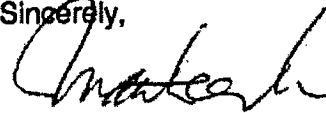
Page 4

become the member owners of HGB, they will continue to cause HGB to abide by all constraints, conditions, requirements and commitments HGB has previously made.

If you have any questions or need further information regarding the specifics of HGB's nuclear medicine program, please feel free to contact Mark W. Cimmerer, M.D., Medical Director, who can be reached at the following phone numbers: (Work) (517) 543-1050, and (Cell) (616) 498-1566. Dr. Cimmerer is HGB's current Radiation Safety Officer and will continue in that role following ECH and Sparrow acquiring a membership interest in HGB.

If you have any questions or need further information related to the transaction itself, please feel free to contact me at (517) 543-1050, ext. 1206.

Sincerely,




**Matthew W. Rush
President and CEO
Hayes Green Beach Memorial Hospital**

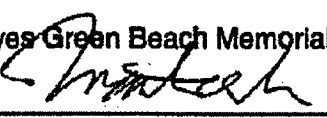
Attachment

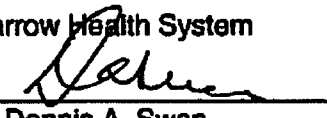
ATTACHMENT A

Upon closing the affiliation of Eaton Community Health, Sparrow Health System and Hayes Green Beach Memorial Hospital, ECH and Sparrow, as Transferees, agree and certify that they will abide by all constraints, conditions, requirements and commitments of HGB, as Transferor, with respect to the transfer of Transferor's Nuclear Regulatory Commission License #21-26050-01.

Transferees further certify that Transferees agree to the change in ownership of Transferor's licensed material and activity and Transferees have been made aware of all open inspection items and Transferee's responsibility for possible resulting enforcement actions

Eaton Community Health
By: 
Matthew W. Rush
Its: President and CEO

Hayes Green Beach Memorial Hospital
By: 
Matthew W. Rush
Its: President and CEO

Sparrow Health System
By: 
Dennis A. Swan
Its: President and CEO

DET02:2212327.2



**KITCH DRUTCHAS WAGNER
VALITUTTI & SHERBROOK
ATTORNEYS AND COUNSELORS**

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Facsimile Transmission cover sheet

Date: 5/19/2016 Atty/File Number: 962/ClientNumber_MatterNumber
Fax must be sent by: May 19, 2016

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Toledo, OH (419) 243-7333

PLEASE DELIVER THIS TRANSMISSION TO:

Name Patricia Pelke
Fax Number: 630-515-1078
Office Phone Number: TOPhone

THIS DOCUMENT IS FROM:

Name Elise Arsenault
Telephone Number: (313) 965-7922
Email: elise.arsenault@kitch.com

This Transmission consists of NumberOfPages pages (including this cover sheet)

Original Will Not Be Sent

MESSAGE RE:

Notice of Change of Ownership of Licensee without Change in Authority over License
Expedited request to confirm No NRC Consent is needed
NRC License #21-26050-01

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