

**SAFETY EVALUATION REPORT  
PROPOSED TRANSFER OF CONTROL FOR BYPRODUCT MATERIALS LICENSE  
NUMBER 06-03413-01, THE MANCHESTER MEMORIAL HOSPITAL**

**DATE:** September 30, 2016

**DOCKET NO.:** 030-01253

**LICENSE NO.:** 06-03413-01; The Manchester Memorial Hospital

**LICENSEE:** The Manchester Memorial Hospital  
71 Hannes Street  
Manchester, Connecticut 06040

**TECHNICAL REVIEWER:** Robert Gallagher

**SUMMARY AND CONCLUSIONS**

The Manchester Memorial Hospital (MMH) is authorized by U.S. Nuclear Regulatory Commission (NRC) License Number 06-03413-01 for the possession and use of byproduct material for the purpose of medical diagnosis and therapy. The NRC staff reviewed a request for consent to an indirect license transfer submitted by The Manchester Memorial Hospital's parent company, Eastern Connecticut Health Network, Inc., and Prospect Medical Holdings, Inc. The license transfer would result from the sale of substantially all of the assets of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc. The Manchester Memorial Hospital is currently a wholly-owned entity of Eastern Connecticut Health Network. As part of the transaction, the ownership of The Manchester Memorial Hospital will be directly transferred to Prospect Medical Holdings, Inc., which will become a parent company to a new entity named Prospect Manchester Hospital, Inc. d/b/a The Manchester Memorial Hospital.

The direct transfer of control is described in ADAMS package accession number ML16159A361, which includes a letter dated June 6, 2016 (ML16159A361), a redacted version of the June 6, 2016 letter (ML16159A359), and letter dated September 29, 2016 (ML16274A110).

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, Rev. 1, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," published June 2016. The NRC staff finds that the information submitted by Eastern Connecticut Health Network, Inc. and Prospect Medical Holdings, Inc. sufficiently describes and documents the transaction and commitments made by Eastern Connecticut Health Network, Inc. and Prospect Medical Holdings, Inc.

As required by 10 CFR 30.34 and section 184 of the Atomic Energy Act of 1954 (the Act), as amended, NRC staff has reviewed the application and finds that the proposed transfer of control is in accordance with the Act. The staff finds that Prospect Manchester Hospital, Inc. d/b/a The Manchester Memorial Hospital is qualified to use byproduct material for the purpose requested,

and will 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, The Manchester Memorial Hospital has been authorized to use byproduct material for medical purposes since March 3, 1958. The NRC conducted a main office inspection of The Manchester Memorial Hospital on April 19, 2016. One violation of NRC requirements was identified for failure to include membership on the Radiation Safety Committee of an authorized user from each type of use permitted by the license. As stated in commitments submitted to the NRC, Prospect Manchester Hospital, Inc. d/b/a The Manchester Memorial Hospital:

- A. will not change the radiation safety officer listed in the NRC license issued to The Manchester Memorial Hospital (License No. 06-03413-01);
- 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 Prospect Manchester Memorial Hospital, Inc. d/b/a The Manchester Memorial Hospital; and
- F. will keep required surveillance records and decommissioning records.

Prospect Medical Holdings, Inc. applied and was approved for the transfer of control of East Orange General Hospital which holds New Jersey License Number 425398 for medical use of byproduct material. A pre-licensing inspection was completed by the State of New Jersey on January 13, 2016, to evaluate the transfer of control, and no concerns were noted. The transfer of control was approved by New Jersey on February 9, 2016. Therefore, for security purposes, Prospect Medical Holdings, 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", September 3, 2008 revision. In addition, it was confirmed that the management of The Manchester Memorial Hospital, at the hospital level, would remain the same. The purpose of the 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.

The Manchester Memorial Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 06-03413-01. Under the sales agreement the transferee, Prospect Medical Holdings, Inc. will assume the assets and liabilities of the transferor, Eastern Connecticut Health Networks, Inc.

## **REGULATORY FRAMEWORK**

License No. 06-03413-01 was issued under 10 CFR Part 30, Rules of General Applicability to Domestic Licensing of Byproduct Material. The NRC 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, if so, give its consent to the transaction in writing.

10 CFR 30.34(b)(1) 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. The central issue is whether the authority over the license has changed. The request for consent describes a direct transfer of control resulting from the sale of Eastern Connecticut Health Network, Inc. to Prospect Medical Holdings, Inc. Following the completion of the sale the medical facility will be under the control of Prospect Medical Holdings, Inc. On the effective date of the sale, October 1, 2016, The Manchester Memorial Hospital will change its name to Prospect Manchester Hospital, Inc. d/b/a The Manchester Memorial Hospital.

#### **DESCRIPTION OF TRANSACTION**

The transaction is described in ADAMS package accession number ML16159A361, which includes a letter dated June 6, 2016 (ML16159A361), a redacted version of the June 6, 2016 letter (ML16159A359), and a letter dated September 29, 2016 (ML16274A110). 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 E of NUREG-1556, Volume 15.

#### **TRANSFeree’S COMMITMENT TO ABIDE BY THE TRANSFEROR’S COMMITMENTS**

The NRC staff finds that the information submitted by Eastern Connecticut Health Network and Prospect Medical Holdings, Inc. sufficiently describes and documents the commitments made by the transferee, and is consistent with the guidance in NUREG-1556, Volume 15.

#### **ENVIRONMENTAL REVIEW**

An environmental assessment for this action is not required because this approval of the described transfer of control and the associated administrative license amendment are categorically excluded under 10 CFR 51.22(c)(21).

## **CONCLUSION**

The staff has reviewed the request for transfer of control of byproduct materials License No. 06-03413-01 and, pursuant to 10 CFR 30.34(b), consents to the direct transfer of control.

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. The submitted information also demonstrates that the transferee will abide by all existing commitments to the license, consistent with the guidance in NUREG-1556, Volume 15.

Therefore, the NRC 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.