



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

November 21, 2016

Mr. Victor Hosfeld, RSO
MidMichigan Health
4000 Wellness Drive
Midland, MI 48670

SUBJECT: NRC ROUTINE INSPECTION REPORT NO. 03002013/2016001(DNMS) AND
NOTICE OF VIOLATION – MIDMICHIGAN HEALTH

Dear Mr. Hosfeld:

On October 3, 2016, through October 4, 2016, an inspector from the U.S. Nuclear Regulatory Commission (NRC) conducted a routine inspection at your facilities in Midland and Mt. Pleasant, Michigan with continued in-office review through October 24, 2016. The purpose of the inspection was to review activities performed under your NRC license to ensure that activities were being performed in accordance with NRC requirements. The in-office review included a review of the circumstances of the findings observed during the on-site inspection. Mr. Edward Harvey of my staff conducted a final exit meeting by telephone with you on October 26, 2016, to discuss the inspection findings.

During this inspection, the NRC staff examined activities conducted under your license related to public health and safety. Additionally, the staff examined your compliance with the Commission's rules and regulations as well as the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of this inspection, the NRC has determined that one Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation is of a security-related nature. The violation was of an administrative requirement and did not represent a security vulnerability in the licensee's program. The violation is cited in the enclosed, non-public Notice of Violation (Notice) (Enclosure 1). The NRC is citing the violation in the enclosed Notice because the inspector identified it. Because of the security-related nature of the violation, the facts and circumstances surrounding the violation, the significance of the violation, and the licensee's corrective actions are discussed in the enclosed, non-public Security Addendum (Enclosure 2).

Enclosures 1 and 2 contain Sensitive
Unclassified Non-Safeguards Information.
When separated from the Enclosures, this
transmittal letter is decontrolled.

V. Hosfeld

- 2 -

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was or will be achieved is already adequately addressed in Enclosure 2. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In addition, one safety-related violation was identified regarding the licensee's failure to conduct semi-annual inventories in accordance with Title 10 of the *Code of Federal Regulations* (CFR) Section 35.67(g). Because the violation was (1) identified by the licensee; (2) adequately corrected by the licensee; (3) not repetitive as a result of inadequate corrective action; and (4) not willful, the NRC is dispositioning this violation as a noncited violation in accordance with Section 2.3.2 of the NRC Enforcement Policy.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be made available electronically for public inspection in the NRC's Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC's website at <http://www.nrc.gov/reading-rm/adams.html>. However, because of security-related information, the enclosures to this letter and your response, if you choose to provide one, will not be made available electronically for public inspection. If you do respond, please mark the top of each page with "Security-Related Information – Withhold Under 10 CFR 2.390". To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information.

Please feel free to contact Mr. Harvey if you have any questions regarding this inspection. Mr. Harvey can be reached at 630-829-9819.

Sincerely,

/RA/

Aaron T. McCraw, Chief
Materials Inspection Branch
Division of Nuclear Materials Safety

Docket No. 030-02013
License No. 21-01549-02

Enclosures:

1. Notice of Violation
2. Security Addendum

cc w/o encls: State of Michigan

V. Hosfeld

- 2 -

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was or will be achieved is already adequately addressed in Enclosure 2. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In addition, one safety-related violation was identified regarding the licensee’s failure to conduct semi-annual inventories in accordance with Title 10 of the *Code of Federal Regulations* (CFR) Section 35.67(g). Because the violation was (1) identified by the licensee; (2) adequately corrected by the licensee; (3) not repetitive as a result of inadequate corrective action; and (4) not willful, the NRC is dispositioning this violation as a noncited violation in accordance with Section 2.3.2 of the NRC Enforcement Policy.

In accordance with 10 CFR 2.390 of the NRC’s “Rules of Practice,” a copy of this letter will be made available electronically for public inspection in the NRC’s Public Document Room or from the NRC’s Agencywide Documents Access and Management System (ADAMS), accessible from the NRC’s website at <http://www.nrc.gov/reading-rm/adams.html>. However, because of security-related information, the enclosures to this letter and your response, if you choose to provide one, will not be made available electronically for public inspection. If you do respond, please mark the top of each page with “Security-Related Information – Withhold Under 10 CFR 2.390”. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information.

Please feel free to contact Mr. Harvey if you have any questions regarding this inspection. Mr. Harvey can be reached at 630-829-9819.

Sincerely,
/RA/

Aaron T. McCraw, Chief
Materials Inspection Branch
Division of Nuclear Materials Safety

Docket No. 030-02013
License No. 21-01549-02

- Enclosures:
1. Notice of Violation
2. Security Addendum

cc w/o encls: State of Michigan

DISTRIBUTION:

Darrell Roberts
John Giessner
Christine Lipa

Richard Skokowski
Carole Ariano
Paul Pelke

MIB Inspectors

ADAMS Accession Number: ML16326A374

Publicly Available Non-Publicly Available Sensitive Non-Sensitive
To receive a copy of this document, indicate in the concurrence box "C" = Copy without attach/encl "E" = Copy with attach/encl "N" = No copy

OFFICE	RIII-DNMS	RIII-DNMS				
NAME	EHarvey:cl	AMcCraw				
DATE	11/21/2016	11/21/2016				

OFFICIAL RECORD COPY