

**SAFETY EVALUATION REPORT
PROPOSED TRANSFER OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 06-08020-02, SHARON HOSPITAL**

DATE: May 22, 2017

DOCKET NO.: 030-01272

LICENSE NO.: 06-08020-02

LICENSEE: Sharon Hospital
50 Hospital Hill Road
Sharon, Connecticut 06069

TECHNICAL REVIEWER: Janice Nguyen

SUMMARY AND CONCLUSIONS

Sharon Hospital is authorized by U.S. Nuclear Regulatory Commission (NRC) License Number 06-08020-02 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 a direct license transfer submitted by Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Vassar Health Connecticut, Inc. The license transfer would result from the sale of substantially all of the assets of Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital to Vassar Health Connecticut, Inc. Vassar Health Connecticut, Inc. is a wholly owned subsidiary of Health Quest Systems, Inc. As part of the transaction, the ownership of Sharon Hospital will be directly transferred to Vassar Health Connecticut, Inc., which will become Vassar Health Connecticut, Inc. d/b/a Sharon Hospital.

The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) package accession number ML17061A171 [which includes a letter dated February 22, 2017 (ML17061A173), a letter dated March 3, 2017 (ML17079A082), an email request for additional information dated March 22, 2017 (ML17082A504), an email dated April 10, 2017 (ML17100A764), a response letter dated April 20, 2017, with attachments (ML17121A505), and an email dated April 21, 2017, with attachments (ML17121A506)].

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 Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Vassar Health Connecticut, Inc. sufficiently describes and documents the transaction and commitments made by Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Vassar Health Connecticut, 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 Vassar Health Connecticut, Inc. d/b/a Sharon 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, Sharon Hospital has been authorized to use byproduct material for medical purposes since March 16, 1964. The NRC conducted a main office inspection of Sharon Hospital on July 3, 2014, and no violations were identified during this inspection. The commitments made by Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Vassar Health Connecticut, Inc. state that, absent NRC approval, Vassar Health Connecticut, Inc. d/b/a Sharon Hospital:

- A. will not change the radiation safety officer listed in the NRC license issued to Sharon Hospital (License No. 06-08020-02);
- B. will not change the personnel involved in licensed activities;
- C. will not change the locations, facilities, and equipment authorized in the NRC license; and
- D. will not change the radiation safety program authorized in the NRC license.

The licensee will change the organization's name listed in the NRC license to Vassar Health Connecticut, Inc. d/b/a Sharon Hospital; and will keep required surveillance records and decommissioning records.

Vassar Health Connecticut, Inc. is a new entity that has been formed to acquire Sharon Hospital. Vassar Health Connecticut, Inc. is a wholly owned subsidiary of Health Quest Systems, Inc. Health Quest Systems, Inc. is a tax-exempt health system that includes three hospitals licensed in the State of New York. Each subsidiary hospital possesses its own radioactive material license: Vassar Brothers Medical Center (New York State Department of Health Radioactive Materials License Number 559), Kingston Cardiology Testing – Northern Dutchess Hospital Extension Clinic (New York State Department of Health Radioactive Materials License Number 5758), and Putnam Hospital Center (New York State Department of Health Radioactive Materials License Number 1074). Therefore, for security purposes, Health Quest Systems, 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 Sharon Hospital, at the hospital level, would remain the same. 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.

Sharon Hospital is not required to provide decommissioning financial assurance based on the types and amount of material authorized in License No. 06-08020-02. Under the sales agreement the transferee, Vassar Health Connecticut, Inc., will assume the assets and liabilities of the transferor, Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital.

REGULATORY FRAMEWORK

License No. 06-08020-02 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. Sharon Hospital's request for consent describes a direct transfer of control resulting from the sale of Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital to Vassar Health Connecticut, Inc. Following the completion of the sale the medical facility will be under the control of Vassar Health Connecticut, Inc. On the effective date of the sale, July 1, 2017, Sharon Hospital will change its name to Vassar Health Connecticut, Inc. d/b/a Sharon Hospital.

DESCRIPTION OF TRANSACTION

The transaction is described in Agency Documents Access and Management System (ADAMS) package accession number ML17061A171 [which includes a letter dated February 22, 2017 (ML17061A173), a letter dated March 3, 2017 (ML17079A082), an email request for additional information dated March 22, 2017 (ML17082A504), an email dated April 10, 2017 (ML17100A764), a response letter dated April 20, 2017, with attachments (ML17121A505), and an email dated April 21, 2017, with attachments (ML17121A506)]. 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 Essent Healthcare of Connecticut, Inc. d/b/a Sharon Hospital and Vassar Health Connecticut, 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. 06-08020-02 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.