

# LEWIS RICE<sub>LLC</sub>

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February 14, 2018

Via e-mail to [Magdalena.Gryglak@nrc.gov](mailto:Magdalena.Gryglak@nrc.gov)

Magdalena R. Gryglak  
U.S. Regulatory Commission  
Materials Licensing Branch  
Region III  
2443 Warrenville Road, Suite 210  
Lisle, IL 60532-4352

**Re: Sale of Assets of HHC Healthcare  
Materials License No. 24-35232-01  
Request for Consent  
Control # 6022949**

Dear Ms. Gryglak:

As we discussed, I represent Heart Care Specialists, LLC in connection with its acquisition of assets from HHC Health Care, LLC. The purpose of this letter is to respond to your letter to Scott H. Johnson dated February 12, 2018, and more specifically, to provide you with the additional information you seek in your review of this pending transaction. For your convenience, I have copied the questions posed in your letter and then set forth our responses below each question.

1) Describe the history/background of Heart Care Specialists, LLC and its business model. Specifically, explain how long the business is in operation, its mission and any other businesses/ventures owned by Heart Care Specialists, LLC.

**Heart Care Specialists, LLC is a wholly-owned subsidiary of St. Luke's Medical Group, a nonprofit corporation affiliated with St. Luke's Hospital, a licensed acute-care hospital. The entity was formed on December 29, 2017 for the purpose of acquiring the assets of HHC Health Care, LLC and employing the physicians currently employed by HHC Health Care, LLC. Following the closing of the proposed transaction, Heart Care Specialists, LLC will provide medical services to its patients through its employed physicians and other employed health care professionals, all of whom are currently employed by HHC Health Care, LLC. Part of those services will entail the provision of the pharmacologic nuclear medicine stress testing that is currently provided by HHC Health Care, LLC. Heart Care Specialists, LLC's mission is to provide medical services to its patients in support of and in a manner consistent with the charitable, tax-exempt purposes of St. Luke's**

Established 1909

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**Hospital. Heart Care Specialists, LLC does not own any other businesses or ventures and will not conduct any business until the closing of this pending transaction.**

2) Provide an organizational chart and a detailed description of the management structure and individual functions including the RSO and Authorized Users at Heart Care Specialists, LLC.

**Heart Care Specialists, LLC has a sole corporate member, St. Luke's Medical Group, which is a nonprofit corporation. St. Luke's Medical Group, which is governed by a Board of Directors, manages Heart Care Specialists, LLC. Heart Care Specialists, LLC, as a member-managed limited liability company, does not perform any management functions. St. Luke's Medical Group in turn has a sole corporate member, St. Luke's Health Corporation, a nonprofit corporation, which holds certain reserved powers over the governance of St. Luke's Medical Group. St. Luke's Health Corporation is also the sole corporate member of St. Luke's Hospital, which is also a nonprofit corporation. A diagram illustrating this corporate structure is enclosed.**

**It is anticipated that the functions of the RSO and Authorized Users at Heart Care Specialists, LLC will not change from their current functions on behalf of HHC Health Care, LLC. Currently with HHC Health Care, LLC, the RSO's responsibilities track the regulations, including (i) ensuring that unsafe activities involving licensed materials are stopped, (ii) ensuring that radiation exposures are as low as reasonably achievable, (iii) ensuring that materials are accounted for and disposed of properly, (iv) interaction with the NRC, (v) timely and accurate reporting and maintenance of appropriate records, (vi) annual program audits, (vii) proper use and routine maintenance, (viii) personnel training and (ix) investigation of incidents involving byproduct material (such as medical events). The responsibilities of Authorized Users involved in medical use also track the regulations and include (w) radiation safety commensurate with use of byproduct material, (x) administration of a radiation dose or dosage and how it is prescribed, (y) direction of individuals under the Authorized User's supervision in the preparation of byproduct material for medical use and in the medical use of byproduct material and (z) preparation of written directives if required.**

3) Describe any affiliations of Heart Care Specialists, LLC and specify whether Heart Care Specialists, LLC or its affiliations hold any NRC or Agreement State licenses (please provide license numbers). Specifically, in your letter dated January 22, 2018, you stated that Heart Care Specialists, LLC is an affiliate of St. Luke's Hospital. Explain the relationship of Heart Care Specialists, LLC with St. Luke's Hospital including management structure at St. Luke's Hospital to demonstrate management involvement in NRC-regulated activities.

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**As described above, Heart Care Specialists, LLC is a wholly-owned subsidiary of St. Luke's Medical Group, a nonprofit corporation that is affiliated with St. Luke's Hospital, a licensed acute-care hospital. St. Luke's Hospital holds one NRC license, numbered 24-01570-03. Another affiliate of St. Luke's Medical Group, Cardiac Specialists of St. Luke's, LLC, holds one NRC license, numbered 24-32734-01.**

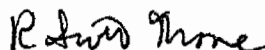
**It is not anticipated that St. Luke's Hospital or St. Luke's Health Corporation will be involved in the day-to-day operations of Heart Care Specialists, LLC. Rather, St. Luke's Health Corporation has indirect but ultimate control over policies and operations of Heart Care Specialists, LLC. The responsibilities for NRC-regulated activities will remain the same as they were with HHC Health Care, LLC prior to the transaction. Dr. Soffer, the RSO, will report to Rick Sonne, the Director of Physician Services for St. Luke's Medical Group, the sole member of Heart Care Specialists, LLC. (The RSO of Cardiac Specialists of St. Luke's, LLC reports to Rick Sonne at St. Luke's Medical Group.) Other management functions, such as accounting, will be performed by the new employees of Heart Care Specialists, LLC (former employees of HHC Health Care, LLC), with higher level oversight provided by St. Luke's Medical Group and ultimately St. Luke's Health Corporation.**

4) State the date on which the Transfer of Control from HHC Health Care, LLC to Heart Care Specialists, LLC will be completed or was completed.

**The parties are evaluating when to close the transaction, taking into consideration licensure and necessary third party consents, among other factors. If the transaction closes before we have received the NRC's consent to the transaction, no nuclear stress tests will be performed at Heart Care Specialists, LLC until the NRC's consent has been received.**

Thank you for your attention to this matter. If you have any further questions, please do not hesitate to contact me.

Very truly yours,

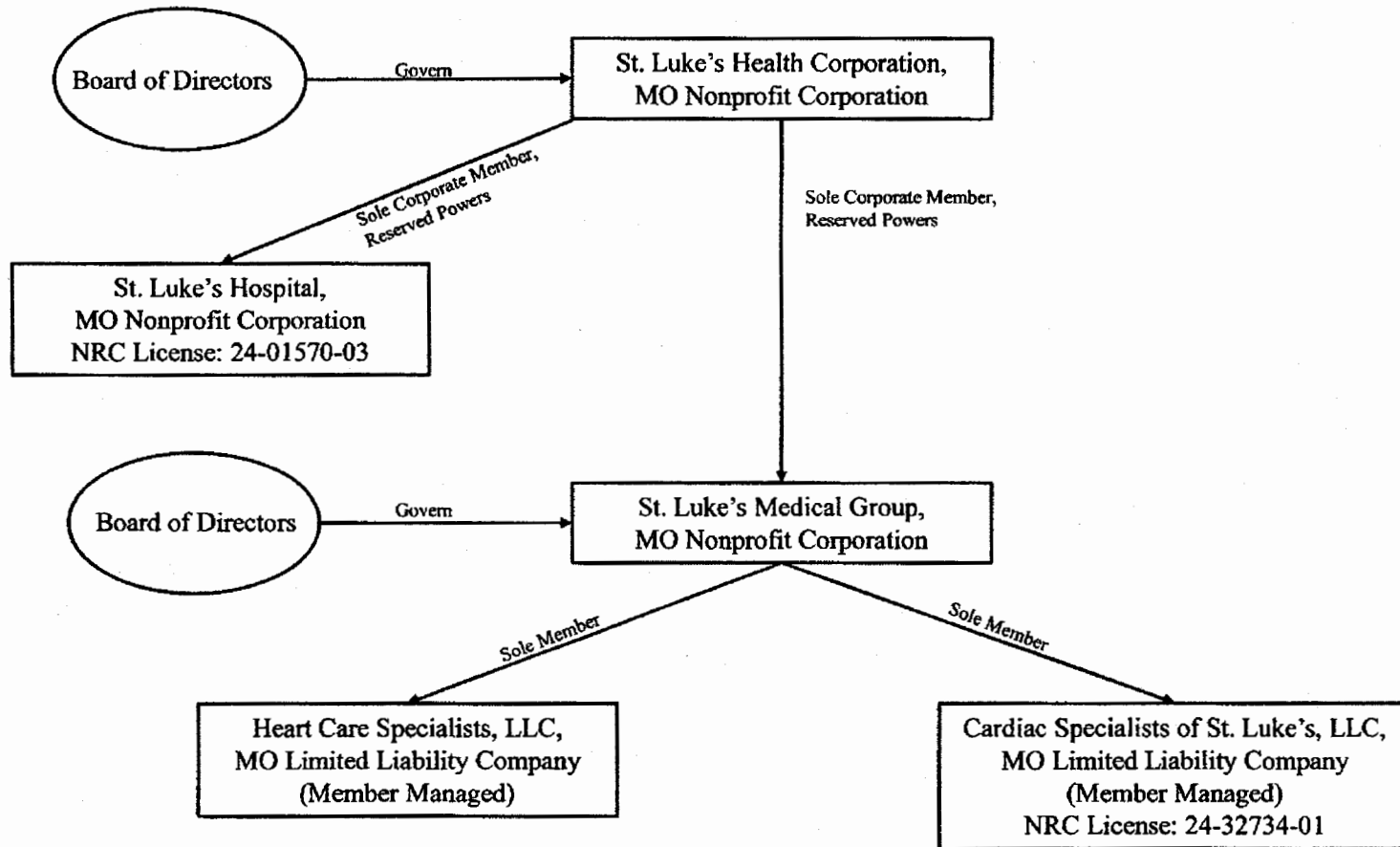


R. Scott Moore

Enclosure

cc: Allen Soffer, M.D. (w/ enc.) (via e-mail)  
Scott H. Johnson, CFO (w/ enc.) (via e-mail)

## Heart Care Specialists, LLC and Affiliates Corporate Structure

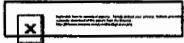


## Gryglak, Magdalena

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**From:** Moore, R. Scott <[smoore@lewisrice.com](mailto:smoore@lewisrice.com)>  
**Sent:** Wednesday, February 14, 2018 10:44 AM  
**To:** Gryglak, Magdalena  
**Cc:** 'Allen Soffer'; 'Scott.Johnson@stlukes-stl.com'; Riffle, John J.; Davidson, Michael P.  
**Subject:** [External\_Sender] Heart Care Specialists, LLC / Control #6022949  
**Attachments:** SKM\_C754e18021410440.pdf

Per our call on Monday, please see the attached letter.



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