

**SAFETY EVALUATION REPORT
PROPOSED TRANSFER OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 06-28502-01, Jefferson Radiology, PC**

DATE: December 10, 2018

DOCKET NO.: 030-31642

LICENSE NO.: 06-28502-01

LICENSEE: Jefferson Radiology, PC
111 Founders Plaza, Suite 400
East Hartford, Connecticut 06108

TECHNICAL REVIEWER: Robin Elliott, Health Physicist

SUMMARY AND CONCLUSIONS

Jefferson Radiology, PC is authorized by NRC License 06-28502-01 for the possession and use of byproduct material for the purpose of diagnostic imaging studies and therapeutic procedures permitted by 10 CFR 35.100, 35.200, and 35.300. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by Jefferson Radiology, PC (JR) that had already occurred. The direct transfer resulted from two transactions. The first one occurred between JR and Mednax on September 27, 2017. The second transaction occurred between JR, Mednax and Hartford Healthcare Corporation (HHC) on January 5, 2018. Under the terms of the transactions, JR was first purchased by Mednax and then Mednax relinquished majority holdings in JR to HCC, which obtained 51% ownership of the licensee, which was renamed Connecticut Imaging Partners (CIP). In both transactions, JR personnel maintained oversight of the licensed activities with no changes to the facilities, authorized staff or license commitments. JR personnel will continue to manage the licensed activities under the name CIP. The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) package accession number ML18082B064. The ADAMS package consists of the following documents: letter dated February 22 & 26, 2018, with attachments (ML18082B065), letter dated April 26, 2018 (ML18124A069), and letter dated May 29, 2018 (ML19025A040)

The licensee's request for consent to a direct transfer of ownership was posted for public comment on the NRC website for 30 days in accordance with 10 CFR Part 2 and following the guidance provided in the NRC's Regulatory Issue Summary 2014-08. No comments were received from members of the public.

The request for consent was reviewed by NRC staff for 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: Program-Specific Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated June 2016. The NRC staff finds that the information submitted by JR, Mednax, HHC, and CIP sufficiently describes and documents the transaction and commitments made by all parties.

As required by 10 CFR 30.34 and section 184 of the Atomic Energy Act of 1954, as amended (the Act), NRC staff has reviewed the application and finds that the direct transfer of control is in accordance with the Act. The staff finds that, after the transfers of control, JR, operating under the name CIP, will remain qualified to use byproduct material for the purpose requested and will continue to have the equipment, facilities, and procedures needed to protect public health and safety and to promote the common defense and security.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Web Based Licensing system, Jefferson Radiology, PC has been an NRC licensee since May 15, 1990. The NRC conducted an inspection at the licensee's facility on March 30, 2016, and no violations were identified. In addition, NRC staff conducted a site visit at the licensed facility on October 16, 2018, and met with Mednax management, a previously unknown entity to NRC. Staff obtained documentation from Mednax to establish a basis for confidence that licensed activities will continue to be conducted consistent with NRC requirements.

The commitments made by Jefferson Radiology, PC, Mednax, Hartford Healthcare Corporation and Connecticut Imaging Partners, LLC state that there will be:

- A. no change to the radiation safety officer listed on the NRC licenses;
- B. no change in personnel involved in licensed activities;
- C. no change in the locations, facilities, and equipment authorized in the NRC license; and
- D. no change in the radiation safety program authorized in the NRC license.

Further, the licensee will maintain required surveillance records and decommissioning records as required by NRC regulations.

Mednax is a publically traded company which operates as a contracted physicians group that provides management solutions. Since the company uses contracted physicians, each physician carries their own insurance. Mednax has been in business since 1979. In an effort to expand their network to include radiologists, Mednax acquired Jefferson Radiology. In 2017, Mednax partnered with HHC and formed Connecticut Imaging Partners, LLC (CIP). CIP wholly owns Jefferson Radiology. Mednax has 49% of the shares and HHC owns 51% of the shares. Dr. Curt Pickert owns 100% of the Mednax shares.

Hartford Healthcare Corporation (HHC), a Connecticut non-stock corporation, is the sole member of several other hospitals in the state of Connecticut, including Hartford Hospital (NRC License No. 06-00253-04), the Hospital of Central Connecticut (NRC License No. 06-02388-01), Backus Hospital (NRC License No. 06-11734-02), Mid State Medical Center (NRC License No. 06-05686-02), and Windham Community Memorial Hospital, Inc. (NRC License No. 06-15203-01). Hartford Hospital (HH) operates a large acute care teaching hospital and related facilities located in Hartford, Connecticut. HH has been an NRC licensee (and previously, an Atomic Energy Commission (AEC) licensee) since October 11, 1956. The Hospital of Central Connecticut (HOCC) operates an acute-care community teaching hospital and related facilities in New Britain and Southington, Connecticut. HOCC has been an NRC (or AEC) licensee since April 8, 1957. For security purposes, HHC is considered a known entity following the guidance "Checklist to provide a basis for confidence that radioactive materials will be used as specified on

the license," September 3, 2008 revision. The purpose of this checklist is for the NRC to help assess whether reasonable assurance has been demonstrated 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.

Connecticut Imaging Partners, LLC is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 06-28502-01, as outlined by 10 CFR 30.35.

REGULATORY FRAMEWORK

Jefferson Radiology, PC's License No. 06-28502-01 was issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material." The Commission is required by 10 CFR 30.34 to determine if the transfer of control is in accordance with the provisions of the Act and give its consent in writing.

10 CFR 30.34(b) 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, Revision 1. Jefferson Radiology, PC's request for consent describes a direct transfer of control and, as such, the transfer requires NRC consent. As noted above, this transfer occurred without the required prior consent. This is an apparent violation of NRC requirements; enforcement is being pursued separately.

DESCRIPTION OF TRANSACTION

The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) package accession number ML 18082B064. The ADAMS package consists of the following documents: letter dated February 22 & 26, 2018, with attachments (ML18082B065), letter dated April 26, 2018 (ML18124A069), and letter dated May 29, 2018 (ML19025A040). After completion of the sales, JR personnel, under the name CIP, will continue to conduct licensed activities, CIP, as the licensee, will remain in control of all licensed activities under Materials License No. 06-28502-01. 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, Revision 1. Had it been submitted prior to the execution of the proposed transfer, as required by the terms of the license, NRC regulations, and the Atomic Energy Act of 1954, as amended, the NRC would have likely approved such a request.

TRANSFeree'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

The NRC staff finds that the information submitted by Jefferson Radiology, PC, Mednax, Hartford Healthcare Corporation, and Connecticut Imaging Partners, LLC sufficiently describes and documents the commitments made by both parties and is consistent with the guidance in NUREG-1556, Volume 15, Revision 1.

ENVIRONMENTAL REVIEW

An environmental assessment for this action is not required since this action is categorically excluded under 10 CFR 51.22(c)(21).

CONCLUSION

The staff has reviewed the request for consent submitted by the licensee with regard to a direct transfer of control of byproduct materials license No. 06-28502-01 and consents to the transfer pursuant to 10 CFR 30.34(b). Consistent with the guidance in NUREG-1556, Volume 15, Revision 1, the submitted information sufficiently describes the transactions; documents the understanding of the license and commitments of the transferee; demonstrates that personnel have the experience and training to properly implement and maintain the license and that they will maintain the existing records; and provides that, in the future, the transferee will abide by all existing commitments on the license. Therefore, the staff concludes that the proposed transfer of control does 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.