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Administration
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Sharon, CT 06069
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healthquest.org/Sharon

March 19, 2019

U.S. NRC Region I
2100 Renaissance Boulevard, Suite 100
King of Prussia, PA 19406-2713

03001272

REC:RG1 0325-19 RM0909

Re: Notification of Transaction – Sharon Hospital (NRC License Number: 06-08020-02)

Dear Ladies and Gentlemen:

I am the Acting President of Sharon Hospital (“SH”). Health Quest Systems, Inc. (“HQ”) is the parent company and sole corporate member of SH. I am writing to inform you of a corporate transaction involving HQ that we anticipate to occur on or about April 1, 2019. As explained further below, it is our understanding that this transaction could potentially be seen as an indirect “change of control” as described in 10 C.F.R. Parts 1-171 and NUREG-1556, Volume 15. Nevertheless, there will in fact be no change in HQ’s operations relating to SH, the employees of SH will continue to control daily operations, and no changes will occur in personnel or facilities.

We are providing the following information regarding the transaction as requested in NUREG-1556, Volume 15, Appendix E:

1. Description of Transaction. As a result of the transaction, HQ will affiliate with Western Connecticut Health Network, Inc., a Connecticut tax-exempt corporation and integrated health network (“WCHN”), through the formation of a new not-for-profit, tax-exempt parent corporation (“NewCo”). NewCo will be the sole corporate member of WCHN and HQ, and HQ will file an amendment to its certificate of incorporation. No transfer of ownership of any of the hospitals is contemplated as a result of the transaction. Following the transaction SH will remain a direct subsidiary of HQ, and HQ will become a direct subsidiary of NewCo. The affiliation is intended to preserve the services currently provided by each health system while leveraging administrative and technological efficiencies. This will allow the combined organization to allocate more resources to patient care.
2. Changes in Personnel or Duties. SH does not anticipate any changes in personnel or duties in relation to the licensed programs.
3. Changes in Organization, Location, Facilities, Equipment, or Procedures. SH does not anticipate any changes in organization, location, facilities, equipment, or procedures in relation to the licensed programs.
4. Surveillance Program. At present, all required surveillance has been performed, documented, and reviewed, and SH anticipates that all surveillance shall be performed in compliance with NRC regulations at the time of the transaction.

6/17/19

Rec'd. in LAT-04/12/2019

NMSS/RGN1 MATERIALS-002


5. Records Concerning Decommission of the Facility. No records that relate to the licensed program will be transferred as a result of the transaction.
6. Transferee's Commitment. There is no transferee involved in this transaction. SH will continue to comply with all regulations, constraints, conditions, requirements, and commitments applicable to the licensed facilities.

Following the transaction, SH will continue to own, control and operate the licensed facilities at their current location and will retain the taxpayer identification numbers and Medicare provider numbers used prior to the transaction. Furthermore, the direct owner and operator of SH's licensed facilities will not change. While there is a new grandparent entity, we believe that the transaction at most constitutes an indirect "transfer of control" as described in 10 C.F.R. Parts 1-171 or NUREG-1556, Volume 15 without any practical implication. Therefore, we believe that this letter should serve as sufficient notification to your office of the nature of this transaction. However, if you require any additional information from us on the nature of the transaction, please let us know as soon as possible.

If you should have any questions regarding this transaction, please contact Julia Goings-Perrot at [REDACTED]. In the meantime, if we do not receive a response from you, we will assume that your agency does not consider any additional notifications or filings to be necessary.

Thank you for your attention to this matter.

Sincerely,



Denise George
Acting President
Sharon Hospital