

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 24-01381-01, ST. ALEXIUS HOSPITAL**

DATE: February 18, 2020

DOCKET NO.: 030-02303

LICENSE NO.: 24-01381-01

LICENSEE: St. Alexius Hospital
3933 S. Broadway
St. Louis, MO 63118

TECHNICAL REVIEWER: Laura B. Cender

SUMMARY AND CONCLUSIONS

St. Alexius Hospital is authorized by NRC License No. 24-01381-01 for the possession and use of byproduct material for purposes permitted by 10 CFR Part 35. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by SA Hospital Acquisition Group, LLC that will result from a sale between Americore Holdings, LLC, the parent company of St. Alexius Hospital, and SA Hospital Acquisition Group, LLC pursuant to an order from the US Bankruptcy Court for the Eastern District of Kentucky.

The request for consent was reviewed by NRC staff for a direct change in control of a 10 CFR Part 35 license using the guidance in NUREG 1556, Volume 15, Revision 1, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses." The NRC staff finds that the information submitted by SA Hospital Acquisition Group, LLC sufficiently describes and documents the transaction and commitments made by Americore Holdings, LLC and SA Hospital Acquisition Group, LLC.

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 proposed change in control is in accordance with the Act. The staff finds that, after the change of control, SA Hospital Acquisition Group, LLC will be 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 promotes the security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Web Based Licensing System (WBL), St. Alexius Hospital has been an NRC licensee since November 8, 1956. The NRC conducted a main office inspection of St. Alexius Hospital on April 26, 2018, and no violations were identified. The commitments made by Americore Holdings, LLC and SA Hospital Acquisition Group, LLC state that SA Hospital Acquisition Group, LLC:

- A. will not change the radiation safety officer listed in the NRC license;
- B. will not change the personnel involved in licensed activities;

- C. will not change the locations, facilities, and equipment authorized in the NRC license;
- D. will not change the radiation safety program authorized in the NRC license;
- E. will change the organization's name listed on the NRC license to SA Hospital Acquisition Group, LLC d/b/a South City Hospital; and
- F. will keep regulatory required surveillance records and decommissioning records;

Following the transaction St. Alexius Hospital will become directly controlled by St. Alexius Hospital Acquisition Group, LLC. St. Alexius Hospital Acquisition Group, LLC is a new organization, and as such, for security purposes, is not considered as known entity following 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', January 29, 2019 revision. 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. The NRC has completed additional evaluation of St. Alexius Hospital Acquisition Group, LLC, including a pre-licensing site visit completed on December 9, 2020. Through this additional evaluation the NRC has determined that SA Hospital Acquisition Group, LLC will use licensed material for its intended purpose and not for malevolent use.

St. Alexius Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 24-01381-01.

REGULATORY FRAMEWORK

St. Alexius Hospital, License No. 24-01381-01, was issued under 10 CFR Part 35, Medical Uses of Byproduct Material. The Commission is required by 10 CFR 30.34 to determine if the change 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. As discussed in NUREG-1556, Volume 15, Revision 1, NRC is generally using the term "change of control" rather than the statutory term "transfer" to describe the variety of events that could require prior notification and written consent of the NRC. The central issue is whether the authority over the license has changed. SA Hospital Acquisition Group, LLC's request for consent describes a direct change of control resulting from a sale between Americore Holdings, LLC, the parent company for St. Alexius Hospital and SA Hospital Acquisition Group, LLC and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML20364A035. After completion of the sale, SA Hospital Acquisition Group, LLC will become the ultimate parent company of the licensee and will assume direct control of all licensed activities under Materials License No. 24-01381-01. 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.

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

The NRC staff finds that the information submitted by SA Hospital Acquisition Group, LLC sufficiently describes and documents the commitments made by Americore Holdings, LLC and SA Hospital Acquisition Group, LLC, 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)(14)(xi).

CONCLUSION

The staff has reviewed the request for consent agreed to by both parties with regard to a direct change of control of byproduct materials License No. 24-01381-01 and approves the application pursuant to 10 CFR 30.34(b).

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; And, in the future, will abide by all existing commitments to the license, consistent with the guidance in NUREG-1556, Volume 15, Revision 1.

Therefore, the staff concludes that the proposed change in 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.