

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 47-25358-01, WILLIAMSON MEMORIAL HOSPITAL**

DATE: February 25, 2014

DOCKET NO.: 030-34138

LICENSE NO.: 47-25358-01

LICENSEE: Williamson Memorial Hospital
859 Alderson Street
Williamson, West Virginia 25661

TECHNICAL REVIEWER: Maryann Abogunde

SUMMARY AND CONCLUSIONS

Williamson Memorial Hospital is authorized by NRC License 47-25358-01 for the possession and use of byproduct material for procedures permitted by 10 CFR 35.100 and 35.200 at 859 Alderson Street, Williamson, West Virginia. The U.S. Nuclear Regulatory Commission (NRC) staff received a request for consent to an indirect license transfer submitted by Williamson Memorial Hospital that will result from a merger between Community Health Systems, Inc. (CHSI) and Health Management Associates, Inc. (HMA). Effective January 27, 2014, CHSI will acquire HMA pursuant to an Agreement and Plan of Merger and will become the ultimate parent company of each of the HMA subsidiaries, which includes Williamson Memorial Hospital. There will be no changes in the direct ownership of the legal entity that owns and operates the hospital. The indirect transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML13358A151 and ML14049A295.

The request for consent was reviewed by NRC staff for an indirect change in control of a 10 CFR Part 30 license using the guidance in NUREG 1556, Volume 15, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated November 2000. The NRC staff finds that the information submitted by Williamson Memorial Hospital sufficiently describes and documents the transaction and commitments made by Community Health Systems, Inc. and Williamson Memorial Hospital.

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, Williamson Memorial Hospital 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 promote the security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Web-Based Licensing (WBL), Williamson Memorial Hospital has been an NRC licensee since May 20, 1996. The NRC conducted a main office inspection of Williamson Memorial Hospital on November 29, 2012, and no violations were identified during this inspection. The commitments made by Community Health Systems, Inc. and Williamson Memorial Hospital state that Williamson Memorial Hospital (License No. 47-25358-01):

- 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 not change the organization's name listed in the NRC license; and
- F. will keep regulatory required surveillance records and decommissioning records.

Community Health Systems, Inc. is a publicly-traded corporation and one of the nation's leading operators of general acute care hospitals. The organization's affiliates own, operate, or lease 135 hospitals and various other health care facilities in 29 states, including several community hospitals that hold active NRC licenses, some of which are: Bluefield Regional Medical Center, Greenbrier Valley Medical Center, and Plateau Medical Center in West Virginia, as well as, several hospitals in Indiana, Missouri, and in some Agreement States. Furthermore, a recent amendment was issued regarding change of ownership whereby CHSI acquired an NRC licensee, Kennett HMA, Inc. d/b/a Twin Rivers Regional Medical Center, in Missouri, on December 6, 2013 (ML13344B300). The Community Health Systems, Inc. affiliation is well established. Therefore, for security purposes, CHSI is considered a known entity following the guidance provided by the NRC's Office of Federal and State Materials and Environmental Management Programs (FSME) '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 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.

Williamson Memorial Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 47-25358-01.

REGULATORY FRAMEWORK

Williamson Memorial Hospital's License No. 47-25358-01, 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 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. As discussed in NUREG-I 556, Volume 15, 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. Williamson Memorial Hospital's request for consent describes an indirect change of control resulting from a planned merger between Community

Health Systems, Inc. and Health Management Associates, Inc., which owns and operates Williamson Memorial Hospital. Currently, Williamson Memorial Hospital is an indirect, wholly-subsubsidiary of HMA. As a result of the proposed transaction (Agreement and Plan of Merger), HMA will cease to be a publicly-traded corporation and will become an indirect, wholly-owned subsidiary of CHSI. Furthermore, as of the effective date of the proposed transaction, CHSI will become the ultimate parent company of each of the HMA subsidiaries, including subsidiaries that own and operate health care facilities, which includes Williamson Memorial Hospital. The proposed transaction will not result in any change in the direct ownership of the legal entity that owns and operates the hospital. Rather, the transaction will result in a change in the ownership structure several levels up the ownership chain. There will be no changes in the direct ownership of its stocks, and the legal entity that owns and operates the hospital will retain its assets, as well as, its legal business name and federal tax identification number. Following completion of the transaction, Williamson Memorial Hospital will indirectly, through CHS/CHS, become an entity of CHSI, and as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML13358A151 and ML14049A295. After completion of the transaction, Williamson Memorial Hospital will continue as the licensee and remain in control of all licensed activities under Materials License No. 47-25358-01. 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 F of NUREG-1556, Volume 15.

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

The NRC staff finds that the information submitted by Williamson Memorial Hospital sufficiently describes and documents the commitments made by Community Health Systems, Inc. and Williamson Memorial Hospital, and is consistent with the guidance in NUREG-1556, Volume 15.

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 submitted by both parties with regard to an indirect change of control of byproduct materials license No. 47-25358-01 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.

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.