



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

JUL 30 2014

John F.K. Brown, M.D.
Radiation Safety Officer
Prime Healthcare Services – Garden City, LLC
6245 North Inkster Road
Garden City, MI 48135

Dear Dr. Brown:

By letter dated March 11, 2014, Garden City Osteopathic Hospital submitted to the U. S. Nuclear Regulatory Commission (NRC) a request to amend its license to allow for the transfer of NRC Materials License No. 21-04072-01. Based on the information provided, we understand that Garden State Osteopathic Hospital was acquired by Prime Healthcare Services – Garden City, LLC on July 1, 2014. This transaction resulted in control of Garden State Osteopathic Hospital being directly transferred to Prime Healthcare Services – Garden City, LLC. We further understand that this transfer did not result in any change to the licensed materials, the use of licensed materials, persons using the license material, location of use of licensed material, facilities, equipment, or procedures related to the current NRC license, or persons responsible for the licensee's radiation safety program. In addition, the new owners, Prime Healthcare Services – Garden City, LLC, commit to abiding by all constraints, conditions, requirements and commitments of the licensed program. This change however did result in a change in the name of the licensee from "Garden State Osteopathic Hospital" to "Prime Healthcare Services – Garden City, LLC." Enclosed is Amendment No. 74 to your NRC Material License No. 21-04072-01 in accordance with your requests, including a separate requested stated in a letter dated May 21, 2014. Note that the changes made to your license are printed in **bold font**.

Based on the above understandings and as more fully detailed in the enclosed NRC staff's Safety Evaluation Report which documents the NRC staff's review of the request, the NRC consents to the transfer of control. Please review the enclosed documents carefully and be sure that you understand all conditions. If there are any errors or questions, please notify the U.S. Nuclear Regulatory Commission, Region III office at (630) 829-9887 so that we can provide appropriate corrections and answers.

The transferee, Prime Healthcare Services – Garden City, LLC, should note their new responsibility and liability as an NRC licensee. Specifically, responsibility is emphasized with regard to any ongoing NRC inspection and enforcement issues, investigations, facility decontamination and decommissioning funding resources. Please be advised, change of ownership/control cannot be transferred without prior written consent from the NRC (Title 10, Code of Federal Regulations (CFR) 30.34(b)). A copy of this regulation may be found on the NRC website at <http://www.nrc.gov/reading-rm/doc-collections/cfr/part030/part030-0034.html>. Also, please see NUREG-1556, Volume 15, "Consolidated Guidance About Materials Licenses - Program-Specific Guidance About Changes of Control and About

Bankruptcy Involving Byproduct, Source, or Special Nuclear Material Licenses". A copy of this guidance may be found on the NRC website at <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1556/v15/>.

You will be periodically inspected by NRC. Failure to conduct your program in accordance with NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC will result in enforcement action against you. This could include issuance of a notice of violation, or imposition of a civil penalty, or an order suspending, modifying or revoking your license as specified in the General Statement of Policy and Procedure for NRC Enforcement Actions. Since serious consequences to employees and the public can result from failure to comply with NRC requirements, prompt and vigorous enforcement action will be taken when dealing with licensees who do not achieve the necessary meticulous attention to detail and the high standard of compliance which NRC expects of its licensees.

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's *expectations* for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/safety-culture.html>. We strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

In accordance with Title 10, *Code of Federal Regulations* (CFR) 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,



Dennis P. O'Dowd
Health Physicist
Materials Licensing Branch

License No. 21-04072-01
Docket No. 030-02036

Enclosures: Amendment No. 74
Safety Evaluation Report

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 21-04072-01, GARDEN CITY OSTEOPATHIC HOSPITAL**

DATE: July 29, 2014

DOCKET NO.: 030-02036

LICENSE NO.: 21-04072-01

LICENSEE: Garden City Osteopathic Hospital
6245 North Inkster Road
Garden City, MI 48135

TECHNICAL REVIEWER: Dennis P. O'Dowd

SUMMARY AND CONCLUSIONS

Garden City Osteopathic Hospital is authorized by NRC License No. 21-04072-01 for the possession and use of byproduct material for purposes of medical uses permitted by 10 CFR 35.100, 35.200, 35.300, and 35.200. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by Garden City Osteopathic Hospital that resulted from a sale between Garden City Osteopathic Hospital and Prime Healthcare Services – Garden City, LLC. Prime Healthcare Services – Garden City, LLC acquired substantially all of the assets of Garden City Osteopathic Hospital. The direct transfer of control is described in letter dated March 11, 2014 (Agency Documents Access and Management System (ADAMS) accession number ML14170B173) and relevant documents posted at the State of Michigan Attorney General website.

The request for consent was reviewed by NRC staff for a direct change in control of a Title 10, Code of Federal Regulations (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 found that the information submitted by Garden City Osteopathic Hospital, in addition to the documents available at the Michigan Attorney General website, sufficiently described and documented the transaction and commitments made by Prime Healthcare Services – Garden City, 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, Prime Healthcare Services – Garden City, LLC 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 promotes the security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Web-Based Licensing (WBL), Garden City Osteopathic Hospital has been an NRC licensee since September 17, 1958. The NRC conducted a main office inspection of Garden City Osteopathic Hospital on April 24, 2013, and no violations were identified during this inspection. The commitments made by Prime

Healthcare Services – Garden City, LLC and Garden City Osteopathic Hospital state that Prime Healthcare Services – Garden City, 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 keep regulatory required surveillance records and decommissioning records;
- F. will abide by all constraints, conditions, requirements and commitments of the transferor, Garden City Osteopathic Hospital.

Garden City Osteopathic Hospital has specified that the legal name of the practice will become "Prime Healthcare Services – Garden City, LLC." Prime Healthcare Services is a well-known entity, and owns and operates over 20 acute-care hospitals throughout the U.S., including Prime Healthcare-Pampa, L.L.C, dba Pampa Regional Medical Center Pampa, Texas (Texas Radioactive Materials License No. L06510) authorized for the medical use of materials. Therefore, for security purposes, Prime Healthcare Services – Garden City, LLC 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.

Garden City Osteopathic Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 21-04072-01.

REGULATORY FRAMEWORK

Garden City Osteopathic Hospital's License No. 21-04072-01 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-1556, 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. Garden City Osteopathic Hospital's request for consent describes a direct change of control resulting from the sale of Garden City Osteopathic Hospital to Prime Healthcare Services – Garden City, LLC, and as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML14170B173, and additional documentation readily available at the State of Michigan's Attorney General's website. Since the sale of all assets on July 1, 2014, Garden City Osteopathic Hospital continues as the licensee and remains in control of all licensed activities under Materials License No. 21-04072-01. 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 Garden City Osteopathic Hospital sufficiently describes and documents the commitments made by Garden City Osteopathic Hospital and Prime Healthcare Services – Garden City, LLC, 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)(21).

CONCLUSION

The staff has reviewed the request for consent submitted by both parties with regard to an direct change of control of byproduct materials license No. 21-04072-01 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.