

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 13-12367-01, CLARK MEMORIAL HOSPITAL**

DATE: July 6, 2015

DOCKET NO.: 030-01658

LICENSE NO.: 13-12367-01

LICENSEE: Clark Memorial Hospital
1220 Missouri Avenue
Jeffersonville, IN 47130

TECHNICAL REVIEWER: Vered Anzenberg Shaffer

SUMMARY AND CONCLUSIONS

Clark Memorial Hospital is authorized by NRC License 13-12367-01 for the possession and use of byproduct material for purposes of diagnostic nuclear medicine studies and radiation therapy. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by Clark Memorial Health that will result from an asset purchase agreement between the Regional Healthcare Network of Kentucky and Southern Indiana (RHN) and Clark Memorial Hospital. RHN and Clark Memorial Hospital entered a Memorandum of Understanding in an asset purchase agreement where RHN will acquire substantially all of the assets that are used in the operation of Clark Memorial Hospital. The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML15152A225.

The request for consent was reviewed by NRC staff direct 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 Clark Memorial Hospital sufficiently describes and documents the transaction and commitments made by RHN and Clark 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, Clark 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 promotes the security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Web-based Licensing System, Clark Memorial Hospital has been an NRC licensee since 07/21/1967. The NRC conducted a main office inspection of Clark Memorial Hospital on May 16, 2013 and a severity level IV violation (Section 6.3.d.4) was issued to Clark Memorial Hospital regarding not providing hazmat training to their employees every three years as required in 10 CFR 172.704(c). Clark Memorial Hospital had taken corrective actions by providing annual hazmat training for employees and this violation is

closed. The commitments made by RHN and Clark Memorial Hospital state that Clark Memorial Hospital (License No. 13-12367-01):

- 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.

For security purposes, RHN is considered a known entity following the guidance provided by the NRC's Office of Nuclear Material Safety and Safeguards '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.

Clark Memorial Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 13-12367-01.

REGULATORY FRAMEWORK

Clark Memorial Hospital's License No. 13-12367-01 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. Clark Memorial Hospital's request for consent describes a direct change of control resulting from a planned asset purchase agreement between RHN and Clark Memorial Hospital and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML15152A225. After completion of the merger, Clark Memorial Hospital will continue as the licensee and remain in control of all licensed activities under Materials License No. 13-12367-01. 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 Clark Memorial Hospital sufficiently describes and documents the commitments made by RHN and Clark 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. 13-12367-01 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.