

January 25, 2016

Toye L. Simmons  
Materials Licensing Branch  
U.S. Nuclear Regulatory Commission  
Region III  
2443 Warrenville Road, Suite 210  
Lisle, IL 60532-4352

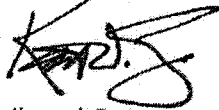
RE: Amendment NRC License No. 21-00258-06  
Allegiance Health  
RESPONSE TO NRC SUPPLEMENTAL QUESTIONS

Dear Ms. Simmons:

At the request of Robyn McDermaid, Director of Imaging Services, and Amy Helton, Imaging Clinical Manager, with whom you have recently spoken with on this matter, we have prepared the attached responses to the NRC's "Change of Control Information" form, together with attachments, which you will find enclosed.

We trust you will find our response in good order; however, should you have any questions or concerns, please do not hesitate to contact us. Pursuant to your request, this response is also signed by a Henry Ford Health System executive.

Sincerely,



Kenneth Empey  
General Counsel  
(517) 788-4828  
[ken.empey@allegiancehealth.org](mailto:ken.empey@allegiancehealth.org)



David Lee  
System Vice President and General Counsel  
Henry Ford Health System  
(734) 874-5600  
[dlee1@hfh.org](mailto:dlee1@hfh.org)

Enclosures

### Change of Control Information

**Control:** Control of a license is in the hands of the person or persons who are empowered to decide when and how that license will be used. That control is to be found in the person or persons who, because of ownership or authority explicitly delegated by the owners, possess the power to determine corporate policy and thus the direction of the activities under the license.

**Transferee:** A transferee is an entity that proposes to purchase or otherwise gain control of an NRC-licensed operation.

**Transferor:** A transferor is an NRC licensee selling or otherwise giving up control of a licensed operation.

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**Licensees must provide full information and obtain NRC's *prior written consent* before transferring control of the license. Provide the following information concerning changes of control by the applicant (transferor and/or transferee, as appropriate). If any items are not applicable, so state.**

1. Provide a complete description of the transaction (transfer of stocks or assets, or merger). Please specify if this transaction is a direct or indirect change of control. Indicate whether the name has changed and include the new name. Include the name and telephone number of a licensee contact who NRC may contact if more information is needed. **SEE ATTACHED EXPLANATION**
2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel. **NONE**
3. Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program. **NONE**
4. Describe the status of the surveillance program (surveys, wipe tests, quality control) at the present time and the expected status at the time that control is to be transferred. **NONE**
5. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity. **N/A**
6. Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program. **NO CHANGES**
7. Provide documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions. **N/A**

## **SUMMARY DESCRIPTION OF ALLEGIANCE HEALTH & HENRY FORD HEALTH SYSTEM AFFILIATION**

W.A. Foote Memorial Hospital, d/b/a Allegiance Health ("Allegiance"), whose principal corporate office is located in Jackson, Michigan, is a wholly-owned subsidiary of Allegiance Health Services ("AHS"). AHS proposes a transaction by which Henry Ford Health System ("HFHS") whose principal corporate office is located in Detroit, Michigan, will become the sole member of AHS ("Transaction"). The parties anticipate consummating the Transaction effective April 1, 2016. Upon closing, AHS will become a wholly-owned subsidiary of HFHS, with HFHS as the new ultimate parent of AHS and its subsidiaries, including Allegiance. Allegiance will continue to exist, with the same name and employer identification number, and will continue to be the owner and operator of its hospital and care facilities. The immediate parent company of Allegiance will remain the same; only the ultimate parent of AHS will change due to the Transaction.

This type of transaction is sometimes referred to as a "tertiary affiliation," signifying that vis-à-vis Allegiance (the primary owner/operator/licensee), the new "owner entity" introduced into the equation by virtue of the Transaction, is three times removed. The important consideration is that as to Allegiance:

- The legal structure and ownership of Allegiance will not change, i.e., Allegiance will continue to be a membership corporation owned by sole member AHS;
- There will be no change to Allegiance's tax ID number, or Medicare and Medicaid provider numbers;
- The fourteen Allegiance Governing Board Members will continue to serve on that Board and HFHS will appoint up to three new members;
- The Allegiance personnel responsible for the safety and oversight of licensed materials and activities will not change and they will continue to report to the same Allegiance executive leader;
- Allegiance Board Members and the Allegiance President can only be removed or terminated by HFHS for cause.

The attached graphic depicts the pre- and post-Transaction organizational structure.

### **Allegiance Contact Person:**

Robyn D. McDermaid, MS HSM, BS Ed, ARRT(R)  
Director of Imaging Services  
Tel: (517) 788-4800 / Ext. 1498

[Robyn.mcdermaid@allegiancehealth.org](mailto:Robyn.mcdermaid@allegiancehealth.org)

Attachment

**W.A. Foote Memorial Hospital  
d/b/a Allegiance Health  
(Before Transaction)**

**Allegiance Health Services**

**W.A. Foote Memorial Hospital  
d/b/a Allegiance Health**

**W.A. Foote Memorial Hospital  
d/b/a Allegiance Health  
(After Transaction)**

**Henry Ford Health System**

**Allegiance Health Services**

**W.A. Foote Memorial Hospital  
d/b/a Allegiance Health**