

Hill, Carol

From: Daniel Patten <Daniel.Patten@wallerlaw.com>
Sent: Friday, October 28, 2016 10:25 AM
To: Cook, Jackie
Cc: Hill, Carol; Bridges, Jennifer; Mark.Dietrich@deq.idaho.gov; Jeremy Poynter; Torossian, Christina M.
Subject: [External_Sender] St. Joseph Regional Medical Center - Change of Ownership (1/1/2017)
Attachments: CHOW Letter and Certification - St. Joseph Regional Medical Center.pdf

Ms. Cook,

I'm writing to notify you about the upcoming acquisition of St. Joseph Regional Medical Center (the "Hospital"). The Hospital has been issued Material License No. 11-27371-01, and the parties anticipate the acquisition to be effective January 1, 2017 (the "Effective Date"). The details of the change of ownership can be found in the attached notification/certification letter. Per your instruction, this letter is in the form outlined in NUREG-1556, Volume 15, Revision 1, Appendix E and is signed by the transferor and transferee.

I understand the process for issuing an amendment to a materials license in a change of ownership context can take up to 90 days. However, based on our conversation, I understand that even if the amendment to the Hospital's materials license has not been issued by the Effective Date, there would not be any issue or penalty associated with the transferee continuing current operations at the Hospital on the Effective Date. Please let me know if my understanding is incorrect.

Thank you for your assistance. Please let me know if you have any questions or need additional material.

Daniel C. Patten

Associate

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PUBLIC

- ☒ Immediate Release
☒ Normal Release

NON-PUBLIC

- ☐ A.3 Sensitive-Security Related
☐ A.7 Sensitive Internal
☐ Other: _____

Reviewer: DPH Date: 11/7/16



October 24, 2016

VIA EMAIL

Jackie.Cook@NRC.gov

Re: Transfer of Control – St. Joseph Regional Medical Center (Materials License No. 11-27371-01)

Dear Ms. Cook:

We are writing to inform you of that St. Joseph Hospital, LLC ("Buyer"), intends to acquire from St. Joseph Regional Medical Center, Inc., an Idaho nonprofit corporation ("Seller"), substantially all of the assets used in the operation of St. Joseph Regional Medical Center (the "Hospital"), which is located at 415 Sixth Street, Lewiston, Idaho 83501, holds a US Nuclear Regulatory Commission ("NRC") Material License (No. 11-27371-01) (the "Materials License"), and operates a radiation oncology center, which is located at 504 Sixth Street, Lewiston, Idaho 83501 and a nuclear medicine department, which is located at 415 6th Street, Lewiston, Idaho collectively, the "Center"). The parties anticipate the transaction will be effective January 1, 2017 (the "Proposed Effective Date").

In connection with the transfer of control of the Center, the parties understand that NRC requests pre-closing notification of the transfer of the Radioactive Materials License from Seller to Buyer. Additionally, the parties understand that the notice should be in the following form, which is outlined in Appendix E, Volume 15 of NUREG-1556:

1. **Describe any planned changes in the organization, including but not limited to, transfer of stocks or assets and mergers, change in members on Board of Directors, etc. Provide the new licensee name, mailing address, and contact information, including phone numbers. Clearly identify when the amendment request is due to a name change only.**

On September 28, 2016, Buyer and Seller executed an Asset Purchase Agreement pursuant to which Buyer agreed to acquire from Seller substantially all of the assets that are used in the operation of the Hospital and the Center, together with the businesses and facilities ancillary thereto (the "Transaction"). It is anticipated the Transaction will be effective as of the Proposed Effective Date.

As of the Proposed Effective Date, the officers of the Buyer will be as listed on Attachment A.

Following closing, Buyer intends to continue operating the Center under the name, St. Joseph Regional Medical Center. The Transaction will not affect the mailing address or other contact information for the licensee.

2. **Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel and any changes in the training program.**

No changes in personnel responsible for the Center's radiation safety program, the radiation safety officer, the authorized users, or any other persons identified on the license or in the license application as having responsibility for radiation safety or authorized to use licensed materials are

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expected to occur as a result of the Transaction. Furthermore, Buyer expects there to be no change in each radiation personnel's duties as a result of the Transaction.

3. **Describe any changes in the location, facilities, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the licensed program.**

Other than the change of corporate ownership and corporate officers described in Items 1 and 2, it is not anticipated that the Transaction will result in any changes in organization, locations, facilities, equipment or procedures that relate to the activities conducted under the Radioactive Materials License.

4. **Describe the status of the licensee's facilities, equipment, and radiation safety program, including any known contamination and whether decontamination will occur prior to transfer. Include the status of calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records.**

The status of the facilities, equipment and radiation safety program are in working order and in compliance. Seller received an inspection from the NRC during 2016 and received no deficiencies. Calibrations, leak tests, area surveys, wipe tests, training, quality control and all records are in compliance and up to date. Attached is the most recent Radiation Safety program audit performed in August 2016 by Empiricos.

5. **If current decommissioning funding plans (DFP) will be changed as a result of the transfer, the revised DFP should be submitted. If other financial assurance documents will be changed as a result of the transfer, confirm that all financial assurance instruments associated with the license will be held in the transferee's name before the license is transferred, and as required by 10 CFR 30.35(f), the licensee must, within 30 days, submit financial instruments reflecting such changes.**

The Center maintains possession below limits such that decommissioning is not necessary. Furthermore, there are no financial assurance documents associated with the Radioactive Materials License.

6. **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.**

As previously stated, the Center maintains possession below limits such that decommissioning is not necessary. Buyer provides assurances that possession will continue below possession limits following the Transaction. All records will be transferred to Buyer on the Proposed Effective Date and will remain on the Center's premises. All surveys and wipe tests indicate that there is no contamination of the facility or equipment. Should any contamination occur prior to the Proposed Effective Date, it will be the responsibility of Seller to decontaminate. Should any contamination occur on or after the Proposed Effective Date, it will be the responsibility of Buyer to decontaminate.

7. **Confirm that both transferor and transferee agree to transferring control of the licensed material and activity, and the conditions of transfer, and that the transferee has been made aware of any open inspection items and its responsibility for possible resulting enforcement actions.**

Buyer and Seller agree to transferring control of the licensed material and activity, and the conditions of transfer, and that Seller has been made aware of any open inspection items and its responsibility for possible resulting enforcement actions.

8. Confirm that the transferee will abide by all constraints, conditions, requirements, representations, and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.

Buyer will abide by all constraints, conditions, requirements, representations, and commitments of Seller.

9. The transferee, in the case of fuel cycle facilities, shall provide documentation showing that it is financially qualified to conduct normal operations. The information can be in the form of income statements and balance sheet forecasts.

Buyer understands that the financial documentation is not applicable because the Center is not a fuel cycle facility.

If you have questions or require additional information about this notice, please contact Daniel Patten of Waller Lansden Dortch & Davis, LLP, Nashville City Center, 511 Union Street, Suite 2700, Nashville, Tennessee 37219, who can be reached by phone at (615) 850-8163 or e-mail at Daniel.Patten@wallerlaw.com.

By signatures below, Seller evidences its intent to transfer control of the Radioactive Materials License to Buyer as of the Proposed Effective Date, and Buyer evidences its obtain control of the Radioactive Materials License from Seller as of the Proposed Effective Date

Seller: St. Joseph Regional Medical Center, Inc.

By: 

Name: Thomas Fitz

Title: Chief Executive Officer

Buyer: St. Joseph Hospital, LLC

By: 

Name: Howard T. Wall, III

Title: EVP, CAO + General Counsel

ATTACHMENT A
List of Officers for St. Joseph Hospital, LLC

NAME	TITLE
Martin S. Rash	Chairman and Executive Officer
Michael W. Browder	Executive Vice President and Chief Financial Officer
Howard T. Wall III	Executive Vice President, Chief Administrative Officer and Secretary
Robert F. Jay	Executive Vice President and Chief Operating Officer
Stephen L. Page	Vice President, Associate General Counsel and Assistant Secretary
Steve Wilson	Vice President and Corporate Controller
Pamela Hunter	Vice President and Treasurer