



# PARKVIEW HEALTH

July 18, 2019

VIA OVERNIGHT MAIL & FAX

Ms. Patricia Pelke

Chief, Materials Licensing Branch

Nuclear Regulatory Commission, Region III 2443 Warrenville Rd, Suite 210

Lisle, Illinois 60532-4352

**Re: Transfer of Control: License Number 13-18506-01**

Dear Ms. Pelke:

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. §2234 ("AEA"), and NUREG-1556, Vol. 15, Rev. 1, DeKalb Memorial Hospital, Inc. ("DeKalb" or the "Hospital") and Parkview Health System, Inc. ("Parkview") submit this notification to the U.S. Nuclear Regulatory Commission ("NRC") to obtain the NRC's written consent to the indirect transfer of control of Materials License No. 13-18506-01 (the "License"), in connection with an agreement to be entered into by DeKalb and Parkview whereby Parkview shall become the sole corporate member of DeKalb. As discussed in more detail below, DeKalb will remain the licensee, and the parties do not plan to institute any material changes to the personnel, duties, locations, facility, equipment, activities or materials designated in the License.

## Background

DeKalb, an Indiana nonprofit corporation, operates a licensed acute care hospital located at 1316 E. Seventh St., Auburn, Indiana, 46706, that provides a range of inpatient, outpatient and emergency services to the surrounding community. As part of its operations, DeKalb holds the following NRC-issued radioactive materials license authorizing the receipt, acquisition, possession, and/or transfer byproduct, source, and/or special nuclear material:

- License No. 13-18506-01: Applicable to licensee's facility located at 316 E. Seventh St., Auburn, Indiana, 46706; [REDACTED]

On July 31, 2019, DeKalb plans to enter into a member substitution agreement with Parkview, pursuant to which Parkview will become the sole corporate member of DeKalb (the "Affiliation"). Following the Affiliation, which is expected to close on September 30, 2019, the Hospital will have a newly appointed Board of Directors, and otherwise will continue to operate in substantially the same manner as operated prior to the Affiliation, with no material changes to the personnel, duties, locations, facility, equipment, activities or materials designated in the License. Accordingly, DeKalb and Parkview request your prior written consent to the indirect transfer of control of the License pursuant to the Affiliation.

## Description of transaction

Pursuant to NRC guidance, the following information is provided in support of the request to transfer indirect control of the License from DeKalb to Parkview:

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. Include copy of pre-and post-transaction organizational chart showing corporate structure of license holder and parent company.

Response: DeKalb is formed as a nonprofit corporation under the Indiana Non-Profit Corporations Act [REDACTED]. Pursuant to the Affiliation, Parkview, also an Indiana nonprofit corporation, will become the sole corporate member of DeKalb. DeKalb and Parkview plan to effectuate this change of control through the execution of a Member Substitution Agreement on July 31, 2019, detailing the terms of the transaction. The parties anticipate that the transaction will close on or about September 30, 2019. A chart depicting the organizational structure of DeKalb pre- and post-Affiliation is attached.

Notably, upon consummation of the Affiliation, although Parkview will become the sole member of DeKalb, DeKalb will continue to (i) own and operate its acute care hospital and related facilities; (ii) maintain its own provider numbers, accreditations, and licenses, including the License; (iii) furnish services substantially similar to the services that it is currently furnishing; and (iv) operate under its current federal tax identification number.

The Affiliation contemplates a continuation of current personnel, duties, locations, facility, equipment, activities and materials of the Licensee. The parties submit that the proposed indirect transfer of control of the License is does not present an unreasonable risk to public health and safety, and is in accordance with the AEA. Parkview already operates a network of reputable health care facilities in the State of Indiana, including facilities holding current NRC radioactive materials licenses, and is experienced in providing for the safe handling of radioactive materials in the provision of high quality health care services to its patients. Furthermore, as noted above, Parkview intends to continue operating the licensed facility in substantially the same manner as they operated under DeKalb's control, with no material changes to the personnel, duties, locations, facility, equipment, activities or materials designated in the License.

Pursuant to the Affiliation, a new [REDACTED] Board of Directors will be appointed for the Hospital [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED] [REDACTED]. Parkview will

provide a supplement to this letter containing information regarding each of the [REDACTED]  
new Board members [REDACTED].

Further information regarding the Transaction may be obtained from:

**Parkview**

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**DeKalb**

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

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.

Response: There are no planned changes in personnel or duties relating to the licensed program. Any future changes in personnel will be those that occur in the ordinary course of business. Further, there are expected to be no changes to the training program supporting the licensed program, nor do the parties anticipate any changes to the authorized users or any other personnel identified in DeKalb's most recent license applications as responsible for radiation safety or the use of licensed material, including but not limited to the Authorized Nuclear Pharmacists or the Radiation Safety Officer ("RSO"). The parties do not plan to make any changes in the materials, activities or duties that relate to, or are designated in the License.

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.

Response: The parties do not plan to change the location, facility, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the License or the DeKalb radiation safety program.

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.

Response: All required surveillance has been performed and documented. The surveillance program includes annual programmatic effectiveness reviews using the NUREG 1556, Vol.9, Revision 2 checklist methodology; DeKalb's radiation safety procedures require annual audits and periodic self-assessments of radiation safety programs to facilitate problem identification and resolution and program improvement. At the present time, surveillance items and records, including calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records are current and the program is expected to remain current through the indirect transfer of control. There is no known reportable contamination at this time. The

*parties will maintain a surveillance program post-Affiliation that meets applicable requirements.*

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.

Response: *There are no DFPs or other financial assurance documents associated with the License, as the quantity of licensed materials at the Hospital are below the regulatory thresholds that require decommissioning financial assurance.*

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.

Response: *The parties confirm that DeKalb will continue to possess and maintain all records concerning the safe and effective decommissioning of the facility following the Affiliation. The parties further confirm that Parkview will have access to such records. Decommissioning will not occur before the indirect transfer of control. Further, Parkview understands applicable decommissioning requirements and accepts responsibility for the decommissioning of the licensed facility, should Parkview choose to decommission the licensed facility in the future.*

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.

Response: *DeKalb and Parkview expressly agree to the transfer of indirect control of the licensed material and activity, and the conditions of transfer. Parkview has been made aware of the license requirements, its responsibility for any open inspection items and its responsibility for any related enforcement actions. At this time, there are no open inspection items related to the License.*

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.

Response: *Parkview will abide by all constraints, conditions, requirements, commitments and representations identified in the License or previously made by DeKalb to NRC with respect to the License.*

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.

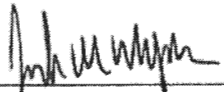
Response: Not applicable.

#### Conclusion

Based on the foregoing, DeKalb and Parkview respectfully request NRC's prior written consent to the indirect transfer of control described herein, effective as of the date the Affiliation closes.

Thank you in advance for your consideration and assistance with this matter. Should you have any questions, please do not hesitate to contact the above identified individuals.

Sincerely,

  
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Joe Wolfcale  
Senior Vice President  
Parkview Health System, Inc.

  
\_\_\_\_\_

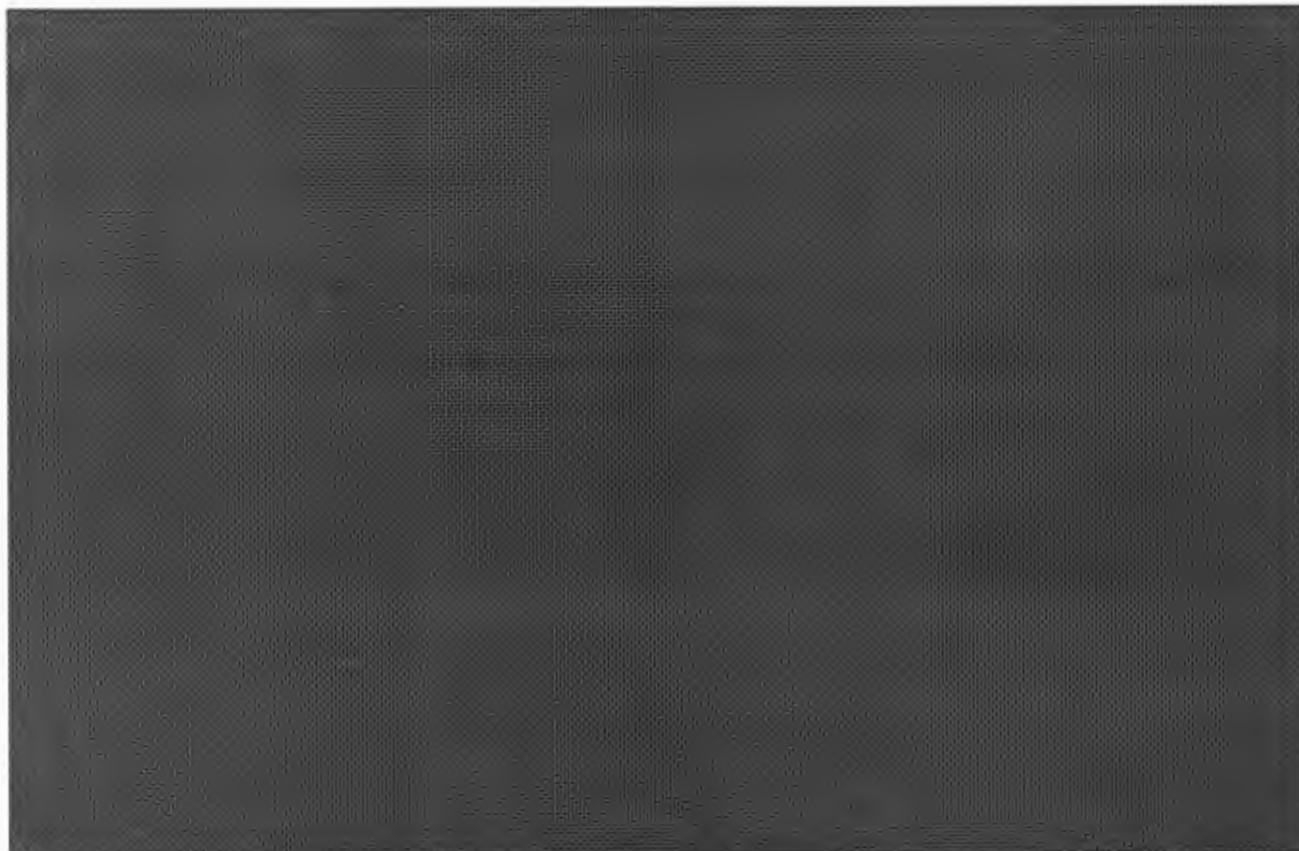
Natasha Eicher  
President & CEO  
DeKalb Memorial Hospital, Inc.

Enclosures: Pre- and Post-transaction Organization Chart

## Pre- and Post-transaction Organizational Chart

Before September 30, 2019

September 30, 2019 and After





## Song, Taehoon

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**From:** Gryglak, Magdalena  
**Sent:** Wednesday, August 07, 2019 1:19 PM  
**To:** Song, Taehoon; Pavon, Sandy  
**Cc:** Tomczak, Tammy  
**Subject:** FW: RE: Change of Control, NRC license no. 13-18506-01, DeKalb Memorial Hospital, Inc.  
**Attachments:** NRC Consent Letter - Redacted (002).pdf

Good afternoon,

Please place the attached document in Adams:

DeKalb Memorial Hospital, Inc.  
030-13805  
13-18506-01  
CN 613623

Thank you

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**From:** Malinda Gamble <Malinda.Gamble@parkview.com>  
**Sent:** Tuesday, August 06, 2019 8:36 PM  
**To:** Gryglak, Magdalena <Magdalena.Gryglak@nrc.gov>; pamstutz@dekalbhealth.com  
**Cc:** Schaefer, Rebecca M. <Rebecca.Schaefer@klgates.com>; Kristie Brotherton <Kristie.Brotherton@parkview.com>  
**Subject:** [External\_Sender] RE: Change of Control, NRC license no. 13-18506-01, DeKalb Memorial Hospital, Inc.

Magdalena,

Attached is the redacted version of the Transfer of Control Letter for DeKalb Memorial Hospital, Inc. The letter we originally filed, indicated the parties planned to sign the affiliation agreement on July 31, 2019. This has changed, the parties now anticipate signing August 16, 2019 and still closing September 30, 2019. We will supplement the NRC with information about DeKalb's new Board members as soon as that information is available. Please let us know if you have questions.

Thank you  
Mindy Gamble

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**From:** Gryglak, Magdalena <Magdalena.Gryglak@nrc.gov>  
**Sent:** Tuesday, July 30, 2019 12:04 PM  
**To:** Malinda Gamble <Malinda.Gamble@parkview.com>; pamstutz@dekalbhealth.com  
**Subject:** Change of Control, NRC license no. 13-18506-01, DeKalb Memorial Hospital, Inc.

**\*\*WARNING\*\*** This email originated from outside of Parkview Health.  
**\*DO NOT CLICK\*** links or attachments unless you recognize the sender and know the content is safe.

Good morning,

I have reviewed your letter dated July 18, 2019, "Transfer of Control: License Number 13-18506-01" regarding the proposed transfer of control of the subject NRC license. The NRC process requires me to post the letter on a public website. Please let me know if I can post the letter in its entirety or if any information needs to be

redacted. Specifically, I was concerned about the description of the Board of Directors structure and the Organization Chart and whether that information is releasable at this point. Please provide a redacted version of the letter by email directly to me. You may just redact/black out the original letter and email the document to me.

Please let me know if you have any questions.

Magdalena R. Gryglak  
U.S. NRC Region III  
630-829-9875