

**SAFETY EVALUATION REPORT**  
**PROPOSED TRANSFER OF CONTROL FOR BYPRODUCT MATERIALS LICENSE**  
**NUMBERS 06-06941-01 [NORWALK HOSPITAL], 06-08020-02 [VASSAR HEALTH**  
**CONNECTICUT, INC], 06-08544-01 [DANBURY HOSPITAL], AND 06-17892-01 [NEW**  
**MILFORD HOSPITAL]**

**DATE:** August 13, 2019

**DOCKET NOS.:** 030-01267, 030-01272, 030-01274, and 030-13596

**LICENSE NOS.:** 06-06941-01, 06-08020-02, 06-08544-01, and 06-17892-01

**LICENSEES:** Norwalk Hospital, Norwalk, Connecticut  
Vassar Health Connecticut, Inc., Sharon, Connecticut  
Danbury Hospital, Danbury, Connecticut  
New Milford Hospital, New Milford, Connecticut

**TECHNICAL REVIEWER:** Penny Lanzisera

**SUMMARY AND CONCLUSIONS**

Norwalk Hospital (NH), Vassar Health Connecticut, Inc. (VHC), Danbury Hospital (DH), and New Milford Hospital (NMH) are authorized by U.S. Nuclear Regulatory Commission (NRC) License Nos. 06-06941-01, 06-08020-02, 06-08544-01, and 06-17892-01, respectively, for the possession and use of byproduct material for purpose of medical diagnosis and treatment. The NRC staff reviewed requests for consent to indirect license transfers submitted by NH, VHC, DH, and NMH. The parent organization of NH, DH, and NMH, Western Connecticut Health Network, Inc. (WCHN), is affiliating with the parent company of VHC, Health Quest System, Inc. (HQ) and forming a new common parent, Nuance Health. WCHN was recognized by NRC as the parent company for DH on October 20, 2010, for NMH on October 22, 2010, and for NH on December 18, 2014 [Agency Documents Access and Management System (ADAMS) package accession numbers ML102440090, ML102440422, and ML14279A206]. HQ was recognized by NRC as the parent company for VHC, d/b/a Sharon Hospital, on September 11, 2017 (ADAMS package accession number ML17221A283). The indirect transfer of control is described in ADAMS package accession numbers ML19108A378, ML19091A020, ML19108A446, and ML19108A456, which include the letter dated June 19, 2019, describing Nuance Health (ML19184A059).

The licensees' requests for consent to an indirect transfer of control were posted for public comment on the NRC website for 30 days in accordance with 10 CFR Part 2 and following the guidance provided in the NRC's Regulatory Issue Summary 2014-08. No comments were received from members of the public.

The request for consent was reviewed by NRC staff as an indirect transfer of control of a 10 CFR Part 30 license using the guidance in NUREG-1556, Volume 15, Rev. 1, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," published June 2016. The NRC staff finds that the information submitted by NH, VHC, DH, and NMH sufficiently describes and documents the transaction and commitments made by Nuance Health, HQ, and WCHN.

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 transfer of control is in accordance with the Act. The staff finds that following the transaction, NH, VHC, DH, and NMH 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 promote the common defense and security.

## **SAFETY AND SECURITY REVIEW**

According to data obtained from the NRC's Web Based Licensing (WBL) system, NH, VHC, DH, and NMH have been authorized to use byproduct material for medical purposes since November 22, 1960; May 31, 1984; June 22, 1962; and December 13, 1977, respectively. The NRC conducted a main office inspection of NH on May 29, 2018, and one severity level IV violation of 10 CFR 35.67(g) was identified for not performing semi-annual inventory of sealed sources. The NRC conducted a main office inspection of DH on October 11-12, 2018, and one severity level IV violation of 10 CFR 35.60(b) was identified for not performing daily dose calibrator constancy tests on several days. The NRC conducted a main office inspection of VHC and NMH on May 16, 2017 and February 28, 2019, respectively, and no violations were noted. The commitments made by HQ and WCHN and Nuvance Health state that NH, VHC, DH, and NMH (License Nos. 06-06941-01, 06-08020-02, 06-08544-01, and 06-17892-01):

- A. will not change the radiation safety officer listed in the NRC licenses;
- B. will not change the personnel involved in licensed activities;
- C. will not change the locations, facilities, and equipment authorized in the NRC licenses;
- D. will not change the radiation safety program authorized in the NRC licenses;
- E. will not change the organizations' name listed in the NRC licenses; and
- F. will keep regulatory required surveillance records and decommissioning records.

Nuvance Health is the sole member and active parent of HQ and WCHN and the active grandparent of the HQ and WCHN subsidiaries and affiliates located in New York and Connecticut, including NH, VHC, DH, and NMH. HQ will continue to be the sole member of VHC, and WCHN will continue to be the sole member of NH, DH, and NMH. Nuvance Health is governed by a newly appointed Board of Trustees comprised of eight individuals nominated by HQ, eight individuals nominated by WCHN, the CEO of Nuvance Health (who is also the current President of WCHN), and the President of Nuvance Health. Therefore, for security purposes, Nuvance Health is considered a known entity following the guidance provided by the NRC's "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.

NH, VHC, DH, and NMH are not required to have decommissioning financial assurance based on the types and amount of material authorized in License Nos. 06-06941-01, 06-08020-02, 06-08544-01, and 06-17892-01.

## **REGULATORY FRAMEWORK**

License Nos. 06-06941-01, 06-08020-02, 06-08544-01, and 06-17892-01 were issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material." The NRC is required by 10 CFR 30.34(b) to determine if the transfer of control is in accordance with the provisions of the Act and, if so, give its consent to the transaction in writing.

10 CFR 30.34(b)(1) 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, Rev. 1. The central issue is whether the authority over the license has changed. NH, VHC, DH, and NMH's request for consent describes an indirect transfer of control that will result from formation of a new common grandparent, Nuvance Health, thru affiliation of the active parents HQ and WCHN, and, as such, the transfer requires NRC consent.

## **DESCRIPTION OF TRANSACTION**

The transaction is described in ADAMS package accession numbers ML19108A378, ML19091A020, ML19108A446, and ML19108A456, which include the letter dated June 19, 2019, describing Nuvance Health (ML19184A059). 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 E of NUREG-1556, Volume 15.

## **TRANSFeree'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS**

The NRC staff finds that the information submitted by NH, VHC, DH, and NMH sufficiently describes and documents the commitments made by Nuvance Health, HQ, and WCHN, and is consistent with the guidance in NUREG-1556, Volume 15.

## **ENVIRONMENTAL REVIEW**

An environmental assessment for this action is not required because this approval of the described transfer of control and associated administrative license amendment are categorically excluded under 10 CFR 51.22(c)(21).

## **CONCLUSION**

The staff has reviewed the request for transfer of control of byproduct materials license Nos. 06-06941-01, 06-08020-02, 06-08544-01, and 06-17892-01 and, pursuant to 10 CFR 30.34(b), consents to the indirect transfer of control.

Consistent with the guidance in NUREG-1556, Volume 15, Revision 1, 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. The submitted information also demonstrates that the transferee will abide by all existing commitments to the license, consistent with the guidance in NUREG-1556, Volume 15.

Therefore, the NRC staff concludes that the proposed transfer of 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.