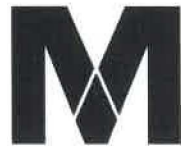


Xavier G. Hardy  
202 434 7314  
xghardy@mintz.com



MINTZ

701 Pennsylvania Avenue, NW  
Suite 900  
Washington, DC 20004  
202 434 7300  
mintz.com

October 31, 2019

Roberto J. Torres, M.S., Senior Health Physicist  
Materials Licensing and Inspection Branch  
United States Nuclear Regulatory Commission  
Region IV  
1600 E. Lamar Blvd.  
Arlington, TX 76011-4511  
817-200-1189  
RobertoJ.Torres@nrc.gov

RECEIVED  
NOV 04 2019

DNMS

Dear Mr. Torres :

Enclosed with this letter is the Transfer of Control Application submitted on behalf of **Sanford Medical Center d/b/a Sanford USD Medical Center** related to **Materials License No. 40-12378-01**. If you have any questions or concerns, please contact me at [xghardy@mintz.com](mailto:xghardy@mintz.com) or (202) 434-7314.

Best regards,

  
Xavier G. Hardy  
Associate

PUBLIC

- ☐ Immediate Release  
☒ Normal Release

NON-PUBLIC

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

Reviewer: RTZ Date: 11-6-19

October 29, 2019

VIA EMAIL AND OVERNIGHT MAIL SERVICE

Roberto J. Torres, M.S., Senior Health Physicist  
Materials Licensing and Inspection Branch  
United States Nuclear Regulatory Commission  
Region IV  
1600 E. Lamar Blvd.  
Arlington, TX 76011-4511  
817-200-1189  
RobertoJ.Torres@nrc.gov

RE: Application for Approval of Indirect Transfer of Control of NRC License Number 40-12378-01

Dear Mr. Torres:

The purpose of this letter is to notify you of a proposed affiliation transaction (the "Affiliation") involving Sanford, a North Dakota non-profit 501(c)(3) corporation and integrated healthcare system, and UnityPoint Health ("UPH"), an Iowa nonprofit 501(c)(3) corporation and integrated healthcare system. Sanford is the ultimate parent company of **Sanford Medical Center d/b/a Sanford USD Medical Center** (the "Licensee"), which holds **Materials License No. 40-12378-01** (the "License"). In accordance with 10 C.F.R. § 30.34, the Licensee requests the Nuclear Regulatory Commission's ("NRC") written consent of the indirect transfer.

As discussed in more detail below, Sanford Medical Center will remain the license holder and the Affiliation will not result in any material changes to the personnel, duties, locations, facility, equipment, activities or materials designated in the License. The Affiliation is expected to close effective on or about February 1, 2020.

Pursuant to NRC guidance, we are providing the following information in support of this request for the indirect transfer of control of the License:

- 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.**

Under the terms of the Affiliation, Sanford and UPH will form a new Iowa non-profit corporation, Sanford UnityPoint Health, which will become the sole corporate member of both Sanford and UPH. Sanford UnityPoint Health will file for 501(c)(3) tax exempt status. Sanford Medical Center will continue to be the Licensee post-Affiliation. The sole corporate member of the Licensee, Sanford Health, will remain the Licensee's sole corporate member post-Affiliation. Sanford will remain the sole corporate member of Sanford Health.

The Affiliation will not result in any changes to the operations of the Licensee. The Licensee's name, tax identification number, services offered, contact information, and personnel will all remain the same

following the Affiliation. The Affiliation will not change the current relationship of Sanford as the corporate “grandparent” of the Licensee; rather, it is adding Sanford UnityPoint Health as a new “great-grandparent” entity. For your convenience, organizational charts showing the corporate structure prior to and after the Affiliation are included as Attachment A.

Sanford Medical Center has both a Board of Trustees and a Board of Directors (the “Operating Board”). Pursuant to the Sanford Medical Center bylaws, the Board of Trustees has designated the operations of Sanford Medical Center to the Operating Board, including all responsibilities related to establishing and maintaining policies and procedures governing the Licensee hospital, furnishing services in the hospital, appointing staff, and assuring compliance with regulatory and legal requirements, including compliance with the NRC License and applicable regulations. The Affiliation will not result in any changes to the Licensee’s bylaws, and therefore, there will be no changes to the authority of the Operating Board as a result of the Affiliation.

**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.**

There are no anticipated changes in personnel or duties relating to the licensed program as a result of or in connection with the Affiliation. Any future changes in personnel will be those that may from time to time occur in the ordinary course of business. Further, there are no anticipated 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 the Licensee’s most recent license applications as responsible for radiation safety or the use of licensed material. There are no plans to make any changes in or to 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.**

There are no planned changes regarding the location, facility, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the License or the Licensee’s radiation safety program as a result of the Affiliation

**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 Licensee has performed and documented all required surveillance. *See attached NRC Safety Inspection Report and Compliance Inspection dated September 13, 2017 (Attachment B)*. The Radiation Safety ALARA Program is operating within occupational limits, with occupational radiation exposure and public doses below regulatory limits. Sealed source inventory is complete as of August 22, 2019, with all sources present and accounted for and no sources found leaking. The Radiation Safety Officer and Executive Director signed the Nuclear Medicine Annual Audit as of September 25, 2019. Routine area surveys have not revealed any contaminations or spills.

There were no medical events reported or discovered in audits or records as part of the Written Directive Auditing Program for the Nuclear Medicine and Radiation Oncology departments. All policies and protocols have been reviewed and are up-to-date. Dose calibrator testing, including linearity and accuracy, are complete and within acceptable values as of August 2, 2019. Survey meter calibrations are within one year. Well counter quarterly and annual testing are complete as of August 2, 2019, and all required reports and records are on file.

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.**

Not applicable.

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.**

All surveys and records necessary for decommissioning will continue to be maintained and in possession of the Licensee.

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.**

Control of the licensed material and activity will remain with the Licensee. There are no open inspection items.

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.**

As an indirect affiliate of Sanford UnityPoint Health following the Affiliation, the Licensee will continue to abide by all constraints, conditions, requirements, commitments and representations identified in the License or previously made by the Licensee 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.**

Not applicable.

We believe that this letter has provided your office with all of the necessary information about the Affiliation. However, please let us know if any further action or documents will be required to update your records, or if you need any additional information.

Thank you for your consideration.

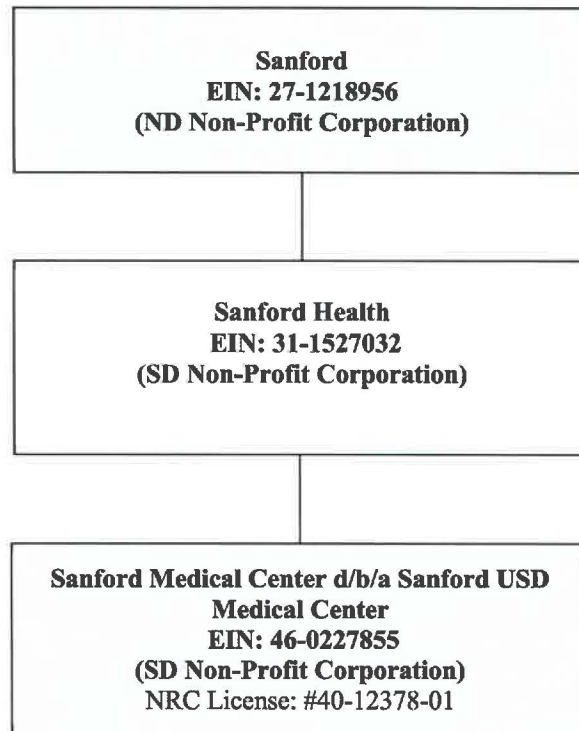
Sanford Medical Center

By: Paul Hanson

Name: Paul Hanson

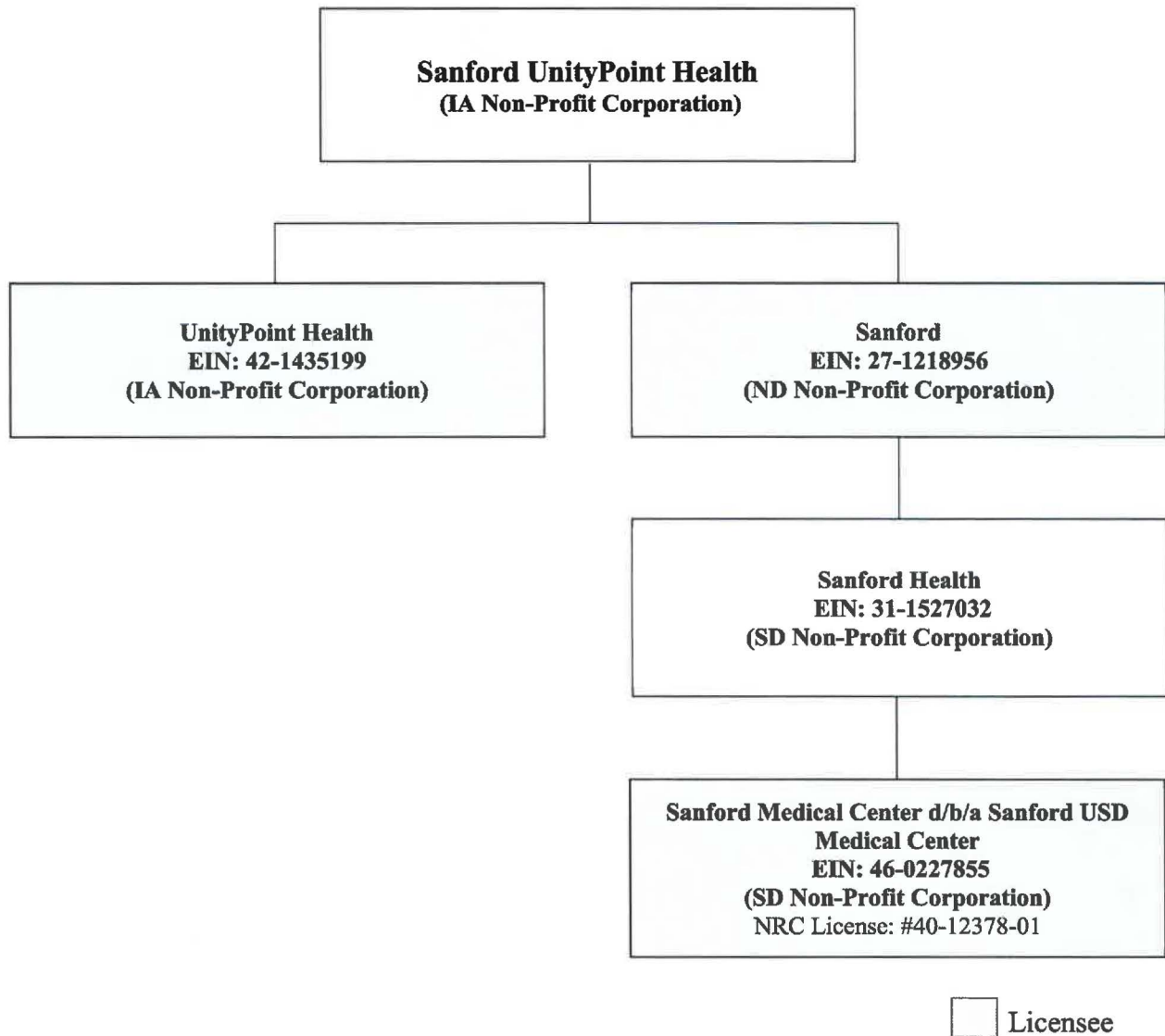
Title: President

**ATTACHMENT A**  
**STRUCTURE PRIOR TO THE AFFILIATION**



☐ Licensee

## STRUCTURE AFTER THE AFFILIATION



\*Sanford UnityPoint Health will become the sole corporate member of Sanford and UnityPoint Health. Sanford UnityPoint Health will be a non-profit entity exempt from federal taxation pursuant to Section 501(c)(3).

**ATTACHMENT B**



SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE:  Sanford Medical Center dba Sanford USD Medical Center Sioux Falls, South Dakota 57105		2. NRC/REGIONAL OFFICE  U.S. Nuclear Regulatory Commission Region IV, 1600 East Lamar Blvd Arlington, Texas 76011	
REPORT NO.: 030-03249/2017-001			
3. DOCKET NUMBER 030-03249	4. LICENSE NUMBER 40-12378-01	5. DATE(S) OF INSPECTION 9/11 - 9/13, 2017	

Locations Inspected: 1305 W. 18<sup>th</sup> Street - Medical Center, Sioux Falls, SD, (and connected facilities including the Heart Hospital, Surgical Tower, and Children's Hospital), 1309 W. 17<sup>th</sup> Street - Cancer Center, Sioux Falls, SD, and 2905 3<sup>rd</sup> Ave. SE, Aberdeen, South Dakota - Medical Center

LICENSEE:

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

- ☒ 1. Based on the inspection findings, no violations were identified.
2. Previous violation(s) closed.
3. The violations(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy to exercise discretion, were satisfied.
- Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):
4. During this inspection certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.

Licensee's Statement of Corrective Actions for Item 4, above.

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

Title	Printed Name	Signature	Date
LICENSEE'S REPRESENTATIVE			
NRC INSPECTOR	Jason Dykert	Jason Dykert	9-13-17
BRANCH CHIEF	Ray C. Kellam	Ray C. Kellam	10/27/17



## ACKNOWLEDGEMENT - RECEIPT OF CORRESPONDENCE

<b>Name and Address of Applicant and/or Licensee</b>  Ms. Kelly Hefti Executive Director, Heart and Vascular Sanford Medical Center dba Sanford USD Medical Center P.O. Box 5039 Sioux Falls, SD 57117-5039	<b>Date</b> 11/04/2019
	<b>License Number(s)</b> 40-12378-01
	<b>Mail Control Number(s)</b> 616881
	<b>Licensing and/or Technical Reviewer or Branch</b> C. Hill

This is to acknowledge receipt of your: ☒ Letter and/or ☐ Application Dated: 10/31/2019

The initial processing, which included an administrative review, has been performed.

☒ Amendment ☐ Termination ☐ New License ☐ Renewal

☐ There were no administrative omissions identified during our initial review.

☐ This is to acknowledge receipt of your application for renewal of the material(s) license identified above. Your application is deemed timely filed, and accordingly, the license will not expire until final action has been taken by this office.

☐ Your application for a new NRC license did not include your taxpayer identification number. Please complete and submit NRC Form 531, Request for Taxpayer Identification Number, located at the following link: <http://www.nrc.gov/reading-rm/doc-collections/forms/nrc531.pdf>  
Follow the instructions on the form for submission.

☐ The following administrative omissions have been identified:

--

Your application has been assigned the above listed MAIL CONTROL NUMBER. When calling to inquire about this action, please refer to this control number. Your application has been forwarded to a technical reviewer. Please note that the technical review, which is normally completed within 180 days for a renewal application (90 days for all other requests), may identify additional omissions or require additional information. If you have any questions concerning the processing of your application, our contact information is listed below:

Region IV  
U. S. Nuclear Regulatory Commission  
DNMS/NMSB - B  
1600 E. Lamar Boulevard  
Arlington, TX 76011-4511  
(817) 200-1103 or (817) 200-1140

BETWEEN:

Accounts Receivable/Payable  
and  
Regional Licensing Branches

[ FOR ARPB USE ]  
INFORMATION FROM WBL

Program Code: 02230  
Status Code: Pending Amendment  
Fee Category: 7C  
Exp. Date: 02/28/2026  
Fee Comments:  
Decom Fin Assur Req: N

## License Fee Worksheet - License Fee Transmittal

### A. REGION

#### 1. APPLICATION ATTACHED

Applicant/Licensee: Sanford Medical Center  
Received Date: 11/04/2019  
Docket Number: 3003249  
Mail Control Number: 616881  
License Number: 40-12378-01  
Action Type: Change of Control

#### 2. FEE ATTACHED

Amount: \_\_\_\_\_

Check No.: \_\_\_\_\_

#### 3. COMMENTS

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

### B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered / / )

1. Fee Category and Amount: \_\_\_\_\_

#### 2. Correct Fee Paid. Application may be processed for:

Amendment: \_\_\_\_\_

Renewal: \_\_\_\_\_

License: \_\_\_\_\_

#### 3. OTHER \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_