

From: [Ray D. Fulkrod](#)
To: [Elliott, Robin](#)
Cc: [Lilia Kulmaczewski](#)
Subject: [External_Sender] RE: Nanticoke Memorial Hospital-Affiliation with PRMC
Date: Monday, December 30, 2019 1:52:10 PM
Attachments: [image005.png](#)
[image004.png](#)
[image003.png](#)
[image002.png](#)
[image001.png](#)
[PRMC Amendment Letter.pdf](#)
[NMH PRMC NRC ADDENDUM.PDF](#)
Importance: High

Ms. Elliott,

Per our conversation this morning, I have attached the PRMC amendment which can be attached to our primary notification letter sent 12/17. Also, we have executed the Definitive Agreement amendment. We are with the understanding this would allow us to continue with normal operations while we navigate the commissions required process without penalty. Otherwise, patient care would be directly impacted as we would not be able to provide service to our patients. Our membership substitution is effective 1/1/2020.

Please let me know if any additional information you need to process the request for our transaction.

Respectfully,

Ray Fulkrod, DNP, MSN, MBA, RN
Chief Nursing Officer
Nanticoke Memorial Hospital
801 Middleford Road
Seaford, DE 19973
302-629-6611 ext. 2505



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From: Elliott, Robin [mailto:Robin.Elliott@nrc.gov]
Sent: Monday, December 30, 2019 7:31 AM
To: Ray D. Fulkrod

Cc: Peter S. Rosen
Subject: RE: Nanticoke Memorial Hospital-Affiliation with PRMC

Good morning Dr. Fulkrod,

Thank you for your submission regarding the pending transaction between Nanticoke Memorial Hospital and PRMC. Our transfer of control requirements involve a posting to our website to allow for public comment for 30 days. Unfortunately the date of your submission does not allow for processing and the required posting period for the transaction to occur by January 1, 2020. You have two options at this point to avoid a violation of 10 CFR 30.34:

1. Move the date of the transaction back until you receive approval from the Commission as required by 10 CR 30.34, or
2. Carve out the transfer of the licensed activities from the transaction until you have received approval from the Commission. (see attached sample agreement)

I apologize for any inconvenience resulting from this; however, I did notify Nanticoke Memorial Hospital in September 2019 of this requirement and pointed them to NUREG 1556 Vol. 15 regarding this process. The NUREG does state in Section 5, "Change of Control," that a 30 day public comment period is required at a minimum and that Commission approval is required prior to the transfer of control. For your information, the request to post your request for transfer was sent to NRC headquarters today, Dec 30, 2019. This means that if they are able to post the request today you would not be permitted to transfer licensed activities prior to January 30, 2020 at a minimum.

Please feel free to contact me with any additional questions you may have.

Regards,

Robin L. Elliott

Health Physicist
Medical & Licensing Assistance Branch
Division of Nuclear Materials
U.S. NRC, Region I
2100 Renaissance Boulevard, Suite 100
King of Prussia, PA 19406-2713
(610) 337-5076 voice
(610) 337-5269 fax
Robin.Elliott@nrc.gov

From: Ray D. Fulkrod <fulkrodr@nanticoke.org>
Sent: Tuesday, December 17, 2019 7:42 AM
To: Elliott, Robin <Robin.Elliott@nrc.gov>
Cc: Peter S. Rosen <RosenP@nanticoke.org>

Subject: [External_Sender] Nanticoke Memorial Hospital-Affiliation with PRMC

Importance: High

Ms. Elliott,

It is our understanding that we needed to notify the Agency that we intent to affiliate with our neighboring health system, Peninsula Regional Health (Peninsula Regional Medical Center). We have drafted the attached letter for review as we believe notification needed to be sent/received prior to effective date of January 1, 2020. I sent a hard copy out to your agency today but wanted to ensure that you saw this in a timely manner.

Please do not hesitate to reach out to me if you need further information. I wish you a wonderful day and Happy Holidays.

Respectfully,

Ray Fulkrod DNP, MSN, MBA, RN

Chief Nursing Officer

Nanticoke Memorial Hospital

801 Middleford Road

Seaford, DE 19973

302-629-6611 ext. 2505



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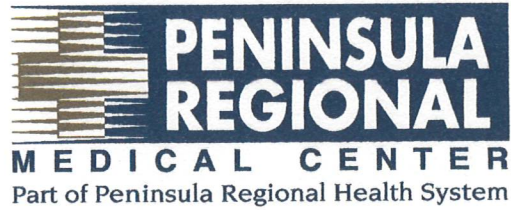
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12/30/19

U.S Nuclear Regulatory Agency
Region 1
2100 Renaissance Blvd. Suite 100
King of Prussia, Pennsylvania 19406-2713

Re: Transfer of Control Application-Amendment
Peninsula Regional Health System-Nanticoke Memorial Hospital
100 East Carroll Street,
Salisbury, MD 21801

License Number: 07-17618-01

Dear Sirs:

This communication serves as an amendment to the notification filed on behalf of Nanticoke Memorial Hospitals sent December 16, 2019. On 12/31/29, Nanticoke Memorial Hospital (NMH) and Peninsula Regional Health System (PRHS) will formalize a Membership Substitution affiliation. The NMH Board of Directors will serve as the local board for Nanticoke Memorial Hospital. Members from the NMH Board will serve on the PRHS Board.

Please accept this communication on behalf of Peninsula Regional Health System confirming our intent for the above affiliation.

Respectfully,

A handwritten signature in blue ink, appearing to read "Steven Leonard", is located below the "Respectfully," text.

Steven Leonard, Ph.D.
President and CEO
Peninsula Regional Medical Center

ADDENDUM #1 TO DEFINITIVE AGREEMENT

THIS ADDENDUM #1 TO DEFINITIVE AGREEMENT (this “First Addendum”) made this 30 day of December, 2019 and effective as of January, 1, 2020 (the “Effective Date”), by and between Nanticoke Memorial Hospital (NMH), and Peninsula Regional Health System (PRHS) are individually referred to herein as a “Party” and collectively as the “Parties”.

WHEREAS, the Parties entered into a Definitive Agreement made as of July 15, 2019 (the “Definitive Agreement”) and amended On December 20, 2019, with respect to the proposed affiliation of Nanticoke Memorial Hospital with Peninsula Regional Health System (the “Affiliation”);

WHEREAS, the Affiliation will become effective as of the Effective Date and the current member of Nanticoke Memorial Hospital will withdraw and voluntarily resign as sole corporate member and Peninsula Regional Health System will become the sole corporate member of Nanticoke Memorial Hospital_;

WHEREAS, Nanticoke Memorial Hospital holds that certain Materials License from the United States Nuclear Regulatory Commission (the “NRC”), numbered 17-17618-01 and expiring, November 30, 2023 (the “NRC License”);

WHEREAS, The change in membership notwithstanding, _Nanticoke Memorial Hospital will continue to be a separate legal entity and remain the licensee, owner and operator of its hospital and provider of health care services after the Effective Date, and will remain the obligated party under the NRC License and the transaction does not include a merger or acquisition, and the NRC License of Nanticoke Memorial Hospital will not be assigned or transferred as a result thereof unless and until indirect transfer of control thereof is approved by the NRC;

WHEREAS, the Parties now wish to enter into this First Addendum and modify the Definitive Agreement as necessary to reflect the certain modifications to the Definitive Agreement desired between the parties and set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and in consideration of mutual obligations, covenants and obligations hereinafter set forth, the Parties, intending to be mutually bound, hereby as agree as follows:

1. **NRC License**. Notwithstanding anything to the contrary in the Definitive Agreement, or any documents related thereto, neither the Reserved Powers held by Peninsula Regional Health System (as defined in the Definitive Agreement and enumerated in the Amended and Restated Articles of Incorporation of Nanticoke Memorial Hospital and the Amended and Restated Bylaws of Nanticoke Memorial Hospital or any other authority of Peninsula Regional Health System over Nanticoke Memorial Hospital resulting from the Affiliation, shall be exercised in any manner by Peninsula Regional Health System to in any way, transfer, assign or in any manner dispose of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the NRC license to any person or by acting to control the direction of activities under, or activities related to compliance with, the requirements of, the NRC License until such time, if any, that the NRC Application (described in Section 2 hereof) is approved, to the extent the Reserved Powers could be interpreted to allow such action. The prohibitions on the action of Peninsula Regional Health System set forth in this Section shall include, but not necessarily be

limited to, any action, direct or indirect, that would result (a) in any change to the radiation safety officer listed in the NRC License; (b) in any change to the personnel involved in licensed activities; (c) in any change to the locations, facilities, and equipment authorized in the NRC License; (d) in any change to the radiation safety program authorized in the NRC License; (e) in any change in the organization's name listed in the NRC License; or (f) in any change to Nanticoke Memorial Hospital's maintenance of required surveillance records and decommissioning records.

2. **NRC Application.** Nanticoke Memorial Hospital has filed, or will file as expeditiously as is reasonably possible, the necessary application for an indirect change of control of the NRC License (including all necessary attachments and other documents required by the NRC) (the "NRC Application") to seek approval of any indirect transfer of control of the NRC license as may be required.

3. **Definitions.** Capitalized terms used and not otherwise defined in this First Addendum shall have the meanings that are given in the Definitive Agreement when used herein.

4. **No Further Amendments.** Except as provided in or modified by this First Addendum, the Definitive Agreement shall continue and remain in force and effect.

5. **Counterparts.** This First Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this First Addendum by facsimile or electronic transmission shall be as effective as delivery of a manually executed counterpart of this First Addendum.

INTENDING TO BE LEGALLY BOUND, the Parties hereto have caused this Addendum to be executed and delivered as of the date first hereinabove written, and effective as of the Effective Date.

Nanticoke Memorial Hospital

By: _____

Name: Steven A Rose

Title: President and CEO Nanticoke Health Services

Peninsula Regional Health System

By: _____

Name: Steven E. Leonard

Title: President and CEO Peninsula Regional Health System