

April 7, 2020

U.S. NRC Region IV
ATTN: DNMS Licensing Assistant
1600 East Lamar Boulevard
Arlington, TX 76011-4511

Mail Control Number: 618565
Docket Number : 3033981
License Number : 49-27532-01
Licensee Name : Evanston Hospital Corporation
ML20105A112

Re: Evanston Hospital Corporation d/b/a Evanston Regional Hospital
Materials License Number: 49-27532-01

To Whom It May Concern:

Evanston Hospital Corporation d/b/a Evanston Regional Hospital (“**Licensee**”), owns and operates Evanston Regional Hospital in Evanston, Wyoming. Licensee holds the above-referenced radioactive materials license (License Number 49-27532-01, or the “**License**”) issued by the U.S. Nuclear Regulatory Commission (“**NRC**”). Pursuant to 10 C.F.R § 30.34(b) and the NRC Consolidated Guidance About Materials Licenses, NUREG-1556 Volume 15 (“**NRC Guidance**”), we understand that a licensee must notify the NRC if it anticipates a possible transfer of control for purposes of obtaining NRC consent to the transfer. Accordingly, please accept this letter as notice to the NRC of a forthcoming financial restructuring that will result in a change in the indirect owner of Licensee to allow the NRC to review and consent to the restructuring to the extent required.¹

Licensee is a direct subsidiary of Quorum Health Corporation (“**Quorum Health**”), a publicly-traded company. Today, April 7, 2020, Quorum Health and certain of its subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code with the Bankruptcy Court for the District of Delaware to implement a negotiated financial restructuring (the “**Restructuring**”). Once the Restructuring is approved by the bankruptcy court, Quorum Health will emerge from bankruptcy. As a result of the emergence from bankruptcy, Quorum Health’s ownership will change and Quincy Health, LLC (“**Quincy Health**”) will become the new owner of Quorum Health. Additional information concerning the Restructuring, including a copy of the press release issued by Quorum Health, is available at <https://quorumforward.com>.

¹ After reviewing the NRC’s regulations and the NRC Guidance, it is not clear to Licensee that the Restructuring will constitute a transfer of control. However, to the extent the NRC views the Restructuring as a transfer of control, Licensee asks that the NRC provide its consent to the Restructuring pursuant to 10 C.F.R. §§ 30.34(b) and 40.46 as soon as is practicable.

Licensee will continue to exist and serve patients in its community through the course of the bankruptcy proceeding and thereafter. No change in the direct ownership or control of Licensee will occur as a result of the Restructuring. Licensee will continue to provide health care services at the same location, under the same legal entity name and federal tax identification number. The Restructuring will not result in a change of ownership for Medicare purposes. There will be no change to the management and operational staff who control and conduct the activities covered by the License (the “**Licensed Program**”). In addition, there will be no changes to the Licensed Program as a result of the Restructuring.

Unlike a merger and acquisition transaction where the seller and buyer determine the timing of closing, the approval of the Restructuring plan is subject to the approval and discretion of the court handling the bankruptcy petition. In this matter, the court is expected to confirm the plan of reorganization within approximately 45 days after the bankruptcy filing, and Quorum Health and its subsidiaries, including the Licensee, are expected to emerge from bankruptcy within approximately 60 days from the date of the bankruptcy filing (*i.e.*, likely on or before June 8, 2020). A diagram of the Hospital’s ownership before and after emerging from bankruptcy is enclosed as **Exhibit A**.

For this reason, we respectfully request that the NRC review this notice and consent to the Restructuring in an expedited manner, and in any event prior to the parties’ emergence from bankruptcy. The Restructuring is expected to bring greater financial stability to a distressed hospital enabling it to continue to provide quality services to Wyoming residents, particularly during the COVID-19 crisis. An expedited review will allow Licensee to continue to provide much needed services to the Evanston community without interruption or delay.

The information required to obtain consent to a transfer of control, as described in Appendix E of the NRC Guidance, is set forth immediately below. We greatly appreciate your time and prompt consideration during this difficult period.

* * * * *

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.**

Licensee is a wholly-owned subsidiary of Quorum Health. The Restructuring involves an upstream restructuring of the equity interests in Quorum Health.

Once the Restructuring is approved by the bankruptcy court, Quorum Health will emerge from bankruptcy and with Quincy Health being the new owner of Quorum Health. Licensee will continue to exist and serve patients in Evanston, Wyoming. No change in the direct ownership or control of Licensee will occur as a result of the Restructuring. There will be no change to Licensee’s name, mailing address, or contact information as a result of the Restructuring. Nor, as discussed above, will the Restructuring result in any change to the Licensed Program. Licensee will continue to conduct its Licensed Program

at the same location, and under the same legal entity name and federal tax identification number. Licensee's personnel, equipment, and operations will also remain the same.

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.**

Licensee will retain the same management for the activities contemplated under the License. There will be no changes in personnel named in the License or the duties that relate to the Licensed Program as a result of the Restructuring.

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 will be no changes in the location, facilities, equipment, radiation safety program, use, possession, waste management, or procedures relating to the Licensed Program. The management and operations of the Licensed Program will not change as a result of the Restructuring.

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.**

Licensee's facilities, equipment, and radiation safety program are currently in compliance and are expected to remain in compliance after the Restructuring. There will be no changes to Licensee's facilities, equipment, and radiation safety program as a result of the Restructuring. All required surveillance has been performed, documented, and reviewed, and all current conditions and surveillance practices will be maintained following the Restructuring. The surveillance program will continue to be completed with daily and monthly quality control evaluations, and information documenting those evaluations will be shared at quarterly meetings and reviewed by the physicist. Wipe tests and surveys are, and will continue to be, completed per the guidelines and documented within the quality program. All calibration, leak tests, and surveys are documented and retained, and the process will not be altered as a result of the Restructuring.

There is no known contamination of Licensee's facilities or equipment. No decontamination is necessary prior to the Restructuring.

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.**

This item is not applicable to the Licensed Program. Licensee is not required to maintain decommissioning funding plans or provide financial assurance under the 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.**

No decommissioning of the facility will occur, and upon any future decommissioning of the facility, the records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to the NRC, as appropriate

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.**

Confirmed.

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.**

Confirmed.

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.**

This is not applicable to Licensee because Licensee does not hold a license for a fuel cycle facility.

In light of the foregoing, Licensee respectfully requests that the NRC provide its written consent to the Restructuring pursuant to 10 C.F.R. §§ 30.34(b) and 40.46 on an expedited basis and as soon as is practicable. If you have any questions or require any additional information regarding the contemplated Restructuring, please contact Stephanie Hoffmann, counsel for the Licensee, at (615) 252-3837 or by email at shoffmann@bradley.com.

Sincerely,

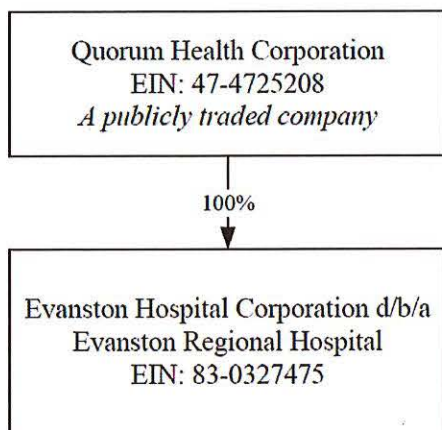


Cheri L Willard
Chief Executive Officer

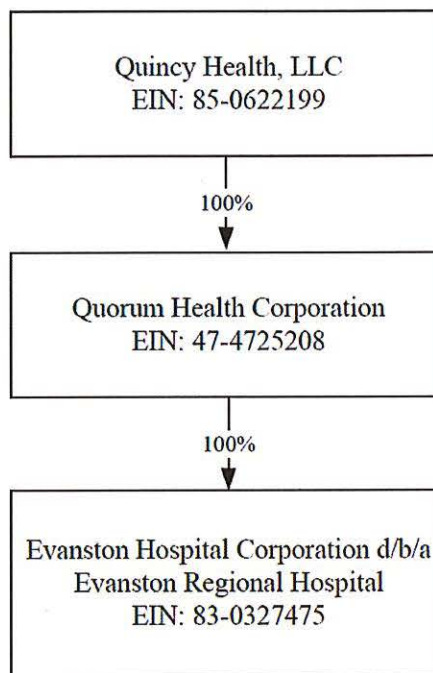
Exhibit A

Ownership Diagram Before and After Restructuring

Before



After



From: [Simmons, Michelle](#)
To: [Hill, Carol](#)
Cc: [Gepford, Heather](#)
Subject: FW: Notice of possible transfer of control and request for expedited review
Date: Wednesday, April 08, 2020 9:30:26 AM
Attachments: [QHC - Wyoming RAM \(NRC\) - Transfer of Control Letter \(as sent by facility 4-8-2020\). 4847-2946-8857. 1.pdf](#)

From: Hoffmann, Stephanie <shoffmann@bradley.com>
Sent: Wednesday, April 08, 2020 9:23 AM
To: Simmons, Michelle <Michelle.Simmons@nrc.gov>
Cc: Torres, Roberto <RobertoJ.Torres@nrc.gov>; Joshua.Marnitz@lw.com; Willard, Cheri L <Cheri_Willard@QuorumHealth.com>
Subject: [External_Sender] Notice of possible transfer of control and request for expedited review

Michelle,

Thank you for your guidance earlier this spring. I write to provide you and your colleagues at the NRC notice of an anticipated financial restructuring that will result in a change in the indirect owner of a licensee and to request expedited review and consent for the restructuring. Evanston Hospital Corporation owns and operates Evanston Regional Hospital in Evanston, Wyoming (the "Licensee"), and holds radioactive materials license number 49-27532-01 issued by the NRC.

As described in more detail in the attached formal notice and request, Licensee is a direct subsidiary of Quorum Health Corporation, a publicly-traded company ("Quorum Health"). Yesterday, Quorum Health and certain of its subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code with the Bankruptcy Court for the District of Delaware to implement a negotiated financial restructuring (the "Restructuring"). Once the Restructuring is approved by the bankruptcy court, Quorum Health will emerge from bankruptcy; as a result, Quorum Health's ownership will change and Quincy Health, LLC will become the new owner of Quorum Health. The Licensee will continue to exist and serve patients in its community through the course of the bankruptcy proceeding and thereafter. There will be no change in the Licensee's direct ownership, legal entity name, federal tax identification number, or Medicare provider number, nor will it undergo any change in the management, staff, policies and procedures, equipment, or operation of the activities covered by the license.

Unlike a merger and acquisition transaction where the seller and buyer determine the timing of closing, the approval of the Restructuring plan is subject to the approval and discretion of the court handling the bankruptcy petition. In this matter, the court is expected to confirm the plan of reorganization within approximately 45 days after the bankruptcy filing, and Quorum Health and its subsidiaries, including the Licensee, are expected to emerge from bankruptcy within 60 days from the date of the bankruptcy filing (*i.e.*, likely on or before June 8, 2020).

For this reason, we respectfully request that the NRC review the attached notice and consent to the Restructuring in an expedited manner, and in any event prior to the parties' emergence from

bankruptcy. The Restructuring is expected to bring greater financial stability to a distressed hospital enabling it to continue to provide quality services to Wyoming residents, particularly during the COVID-19 crisis. An expedited review will allow Licensee to continue to provide much needed services to the Evanston community without interruption or delay.

Thank you for your thoughtful review of our request. Please do not hesitate to contact me if you have any questions about the Restructuring or the attached notice.

Thank you,
Stephanie

Stephanie Hoffmann

Associate

e: shoffmann@bradley.com w: bradley.com

d: 615.252.3837 f: 615.248.3037 c: 919.475.6324

Bradley Arant Boult Cummings LLP

Roundabout Plaza, 1600 Division Street, Suite 700
Nashville, TN 37203

[LinkedIn](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [Blogs](#)

From: Simmons, Michelle <Michelle.Simmons@nrc.gov>

Sent: Friday, February 7, 2020 8:28 AM

To: Hoffmann, Stephanie <shoffmann@bradley.com>; Torres, Roberto <RobertoJ.Torres@nrc.gov>

Subject: RE: Q on Reporting Proposed Transaction

[External Email]

Morning,

Please see the attached document. Please answer all nine questions and submit the information, along with any additional supportive documentation, to the NRC. Please include a cover letter. The cover letter should be on letterhead. The cover letter should also contain a date and a signature from a member of upper management. If you have any additional questions, please feel free to contact me at the number below.

Thank you.

Michelle R. Simmons
Senior Health Physicist
Nuclear Regulatory Commission
Materials Licensing and Decommissioning Branch
Region IV
1600 East Lamar Blvd.
Arlington, Texas 76011
817-200-1590

From: Hoffmann, Stephanie <shoffmann@bradley.com>
Sent: Thursday, February 06, 2020 5:55 PM
To: Torres, Roberto <RobertoJ.Torres@nrc.gov>; Simmons, Michelle <Michelle.Simmons@nrc.gov>
Subject: [External_Sender] Q on Reporting Proposed Transaction

Dear Mr. Torres and Ms. Simmons,

Jackie Cook suggested I reach out to you to request clarification on how to report a proposed transaction in connection with a RAM license. My client is a Wyoming hospital that holds a RAM license overseen by the NRC. The hospital is currently wholly owned, through one or more subsidiaries, by a publicly-traded company.

In the proposed transaction, the publicly-traded company would go private. That is, several investor entities would acquire the stock of the publicly-traded company. As a result, the formerly publicly-traded company would be privately held by those investor entities. After the transaction, none of the investor entities would hold more than a 50% interest in the formerly privately traded company. A diagram of this proposed transaction is attached for reference.

Despite our review of the applicable statutes, regulations, and Board guidance, we remain uncertain as to how the above-described transaction should be reported to the Board and the timeline for doing so.

Could you please clarify what materials need to be submitted, and when, to report the transaction?

Thank you for your time.

Sincerely,
Stephanie Hoffmann

Stephanie M. Hoffmann

Attorney

e: shoffmann@bradley.com w: bradley.com

d: 615.252.3837 f: 615.248.3037

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Accounts Receivable/Payable and Regional Licensing Branches

Program Code: 02121
Status Code: Pending Amendment
Fee Category: 7C
Exp. Date: 07/31/2021
Fee Comments:
Decom Fin Assur Req'd: N

A. REGION

Applicant/Licensee: Evanston Hospital Corporation
Received Date: 04/08/2020
Docket Number: 3033981
Mail Control Number: 618565
License Number: 49-27532-01
Action Type: Change of Control

Amount: N/A

Check No.: N/A

Signed: Carol L. Hill

Date: 04/09/2020

1. Fee Category and Amount:

Amendment: _____

Renewal: _____

License:

Signed: _____

Date:

Agency: NRC

WBL WORKSHEET

DOCKET NUMBER: 3033981	LICENSE NUMBER: 49-27532-01	STATUS: Pending Amendment
MAIL CONTROL NUMBER: 618565	RECEIPT DATE: 04/08/2020	ACTION TYPE: Change of Control
DUE DATE: 10/05/2020	INST. CODE: 27532	LICENSE REGION: Region 4
LICENSE TYPE: 30	ENTITY TYPE: C	LICENSE GROUP: Medical
ISSUE DATE:	ORIGINAL DATE: 12/21/1995	EXPIRATION DATE: 07/31/2021
DECOMMISSIONING CATEGORY: Group 2	LAST ISSUE DATE:	
LICENSEE NAME: Evanston Hospital Corporation	DECOM FIN ASSUR REQD: N SUBM: N	
MAILING ADDRESS LINE1: 190 Arrowhead Drive	CONT PLAN REQD: N APPRV: N	
MAILING ADDRESS LINE 2:		
CITY: Evanston	STATE: WY	ZIP: 82930
CONTACT PERSON: PREFIX:	FIRST NAME: Jeremy	MIDDLE INITIAL:
LAST NAME: Davis	SUFFIX:	
JOB TITLE: Chief Executive Officer	PHONE: 307-789-3636	FAX: 307-783-8167 EMAIL: jeremy_davis@quorum
BILLING ADDRESS LINE 1: 190 ARROWHEAD DRIVE		
BILLING ADDRESS LINE 2: DBA EVANSTON REGIONAL HOSPITAL		
CITY: EVANSTON	STATE: Wyoming	ZIP: 82930
BILLING CONTACT PERSON: FIRST NAME:	MIDDLE INITIAL:	LAST NAME:
PHONE:	EMAIL:	FAX:
PRIMARY PGM CODE: 02121	SECONDARY PGM CODE:	
INSPECTION REGION: Region 4	PRIORITY: 5	
RSO: PREFIX:	FIRST NAME: Adam	MIDDLE INITIAL: LAST NAME: Ardnt
SUFFIX: M.S.	RSO JOB TITLE: Radiation Safety Officer	
RSO PHONE: 800-321-2207	RSO FAX:	RSO EMAIL: aarndt@mpcphysics.com
STATES WHERE USE IS AUTHORIZED: 1	0- ALL LISTED STATES 1- SAME AS STATE IN ADDRESS 2- ALL STATES 3- NON-AGREEMENT-STATES	
AUTHORIZED STATES (USE ONLY IF ABOVE IS ZERO):		



ACKNOWLEDGEMENT - RECEIPT OF CORRESPONDENCE

Name and Address of Applicant and/or Licensee Jeremy Davis, CEO Evanston Hospital Corporation dba Evanston Regional Hospital 190 Arrowhead Dr Evanston, WY 82930 (Change of Control)	Date 04/09/20/20
	License Number(s) 49-27532-01
	Mail Control Number(s) 618565
	Licensing and/or Technical Reviewer or Branch C. Hill

This is to acknowledge receipt of your: ☒ Letter and/or ☐ Application Dated: 04/07/2020

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:

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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