

**SAFETY EVALUATION REPORT
PROPOSED TRANSFER OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 47-25358-01, WILLIAMSON MEMORIAL HOSPITAL**

DATE: June 25, 2018

DOCKET NO.: 030-34138

LICENSE NO.: 47-25358-01; Williamson Memorial Hospital

LICENSEE: Williamson Memorial Hospital
859 Alderson Street
Williamson, West Virginia 25661

TECHNICAL REVIEWER: Robert Gallagher

SUMMARY AND CONCLUSIONS

Williamson Memorial Hospital, LLC owns and operates Williamson Memorial Hospital, an acute care hospital located in Williamson, West Virginia, and is authorized by U.S. Nuclear Regulatory Commission (NRC) License Number 47-25358-01 for the possession and use of byproduct material for the purpose of diagnostic imaging studies, and uptake, dilution and excretion studies permitted by 10 CFR 35.100, 35.200. The NRC staff reviewed a request for consent to a direct license transfer submitted by Hospital Management Associates, LLC, which owns 95.84% of the membership interest in Williamson Memorial Hospital, LLC. The direct transfer that will result from the sale of Hospital Management Associates, LLC's 95.84% membership interests to Mingo Health Partners, LLC. On June 1, 2018, after the parties submitted their request, but before the Commission provided written consent, the parties completed the sale. Failure to receive written consent prior to a direct license transfer is contrary to Section 184 of the Atomic Energy Act of 1954 (the Act) and 10 CFR 30.34(b)(1).

The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) package accession number ML18110A180 which includes a letter dated April 13, 2018 (ML18110A181) and a letter dated May 25, 2018 (ML18162A221).

The request for consent was reviewed by the NRC staff for a direct change of control of a 10 CFR Part 30 license using the guidance in NUREG 1556, Volume 15, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated June 2016. The NRC staff finds that the information submitted by Hospital Management Associates, LLC sufficiently describes and documents the transaction and commitments made by Hospital Management Associates and Mingo Health Partners, LLC.

As required by 10 CFR 30.34 and section 184 of the Atomic Energy Act of 1954 (the Act), as amended, NRC staff has reviewed the application and finds that the transfer of control is in accordance with the Act. The staff finds that Mingo Health Partners, LLC is qualified to use byproduct material for the purpose requested, and has 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 Licensing Tracking System, Williamson Memorial Hospital, LLC has been an NRC licensee since May 20, 1996. The NRC conducted a main office inspection of Williamson Memorial Hospital on January 24, 2018, and no violations were identified during this inspection. The commitments made by Hospital Management Associates, LLC and Mingo Health Partners, LLC state that, absent NRC approval, Mingo Health Partners, LLC:

- A. will not change the radiation safety officer listed in the NRC license issued to Williamson Memorial Hospital (License No. 47-25358-01);
- B. will not change the personnel involved in licensed activities;
- C. will not change the locations, facilities, and equipment authorized in the NRC license;
- D. will not change the radiation safety program authorized in the NRC license; and
- E. will keep required surveillance records and decommissioning records.

Mingo Health Partners, LLC, does not have a current radioactive material license issued by the NRC or by an Agreement State. Mingo Health Partners, LLC has no prior business operations, as it was created specifically to acquire the assets of Williamson Memorial Hospital. Therefore, for security purposes, Mingo Health Partners, LLC, is not considered a known entity according to the guidance provided by the NRC's Office of Nuclear Material Safety and Safeguards (NMSS) "Checklist to Provide a Basis for Confidence that Radioactive Materials Will Be Used as Specified on the License." A pre-licensing visit was performed on May 24, 2018. At the pre-licensing visit the NRC staff reviewed business operations and radiation safety operations, and conducted interviews with senior management officials from Williamson Memorial Hospital as well as Mingo Health Partners, LLC. In addition, the NRC staff confirmed that the management of Williamson Memorial Hospital will remain the same. The NRC staff conducted an in-office review through June 11, 2018 on documents received following the pre-licensing visit which included a copy of the Certificate of Existence for Mingo Health Partners, LLC, which was issued by the West Virginia Secretary of State, dated June 1, 2018.

The NRC staff determined that sufficient information exists to conclude that licensed material will be used as specified on the license and not for malevolent use.

Williamson Memorial Hospital, LLC is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 47-25358-01.

REGULATORY FRAMEWORK

License No. 47-25358-01 was 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. The central issue is whether the authority over the license has changed. Williamson Memorial Hospital's request for consent describes a direct transfer of control resulting from the sale of Hospital Management Associates, LLC's majority interests in Williamson Memorial Hospital, LLC to Mingo Health Partners, LLC. Following the completion of the sale the medical facility will be under the control of Mingo Health Partners, LLC.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS package accession number ML18110A180, which includes a letter dated April 13, 2018 (ML18110A181) and a letter dated May 25, 2018 (ML18162A221). As a result of the sale, Mingo Health Partners, LLC acquired Hospital Management Associates, LLC's 95.84% membership interest in Williamson Memorial Hospital, LLC. Thus, While Williamson Memorial Hospital, LLC remains the licensee, the majority ownership interest in the licensee changed from Hospital Management Associates, LLC to Mingo Health Partners, LLC. 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 F of NUREG-1556, Volume 15.

TRANSFEREE'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

The NRC staff finds that the information submitted by Hospital Management Associates, sufficiently describes and documents the commitments made by both parties, 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 the 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 with regard to a transfer of control of byproduct materials License No. 47-25358-01 and, pursuant to 10 CFR 30.34(b), consents to the direct transfer of control.

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 transfer of control will 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.