

April 23, 1967

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES ON THE USE OF THE VETERANS MEMORIAL HOSPITAL AND THE PROVISION OF IN-PATIENT AND OUTPATIENT MEDICAL CARE AND TREATMENT OF VETERANS BY THE GOVERNMENT OF THE PHILIPPINES AND THE FURNISHING OF GRANTS-IN-AID THEREOF BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA

UNITED STATES OF AMERICA

Veterans Memorial Hospital

Agreement signed at Manila 25 April 1967;

Entered into force 25 April 1967,

WHEREAS, the Congress of the United States by Public Law 89-612 approved September 30, 1966, as embodied in Sections 622, 624 and 631-634, Title 38, United States Code, has provided for further assistance by grants-in-aid to the Republic of the Philippines in providing medical care and treatment for certain veterans, as defined below, for replacement and upgrading of equipment and for rehabilitating the physical plant of the Veterans Memorial Hospital, and for medical research and the training of health service personnel at such hospital, and

WHEREAS, the Government of the Republic of the Philippines is desirous of taking advantage of the provisions thereof for the purpose of improving the program of medical care and hospitalization of those disabled veterans who come within the purview of Public Law 89-612, as embodied in Section 622, 624, and 631-634, Title 38, United States Code.

The Government of the United States and the Government of the Republic of the Philippines have decided to terminate the Agreement entered into on June 30, 1958^[1] under the provisions of PL 85-461 as amended by exchange of notes between the two governments dated June 28, 1963, pursuant to Public Law 88-40 approved June 13, 1963,^[2] and to conclude an agreement for the above purposes, the regulations relating to which the Government of the United States will promulgate in the Federal Register, and do hereby agree as follows:

TITLE I

PURPOSES OF CONTRACT

ARTICLE 1

Subject to mutual agreement, the necessary appropriation acts of the United States Congress, and such rules and regulations as, from time to time, may be prescribed by the Administrator of Veterans Affairs of the United States, to whom the President of the United States has delegated the authority conferred upon him by Sections 631-634, Title 38, United States Code, the Administrator of Veterans Affairs of the

United States will enter into a contract with the Director of the Veterans Memorial Hospital subject to the approval of the Secretary of National Defense of the Republic of the Philippines, as follows:

(a) To provide reimbursement to the Government of the Republic of the Philippines by the Government of the United States for hospital care in the Republic of the Philippines of Commonwealth Army veterans and for hospital care at the Veterans Memorial Hospital of new Philippine Scouts, determined by the Administrator of Veterans Affairs of the United States to be in need of such hospital care for service-connected disabilities, at a per diem rate to be jointly determined for each fiscal year by the two Governments to be fair and reasonable;

(b) To provide reimbursement as described in (a) above for hospital care at the Veterans Memorial Hospital of Commonwealth Army veterans and of those new Philippine Scouts who enlisted before July 4, 1946, who qualify as veterans of a war, determined by the Administrator of Veterans Affairs of the United States to be in need of such hospital care for non-service-connected disabilities, if they are unable to defray the expenses of necessary hospital care;

(c) To provide reimbursement for veterans' travel expenses incident to such hospitalization which are authorized by the Administrator of Veterans Affairs of the United States;

(d) To provide that the period of the contract may be extended through and end on June 30, 1973;

(e) To provide that the total of payments for such hospital care plus any payments for authorized travel expenses incident to the hospitalization of Commonwealth Army veterans and new Philippine Scouts shall not exceed the amount provided by the appropriation acts of the Congress of the United States for each fiscal year and in no event shall exceed \$1,200,000 for fiscal year 1967, including payments for any period in that year prior to this Agreement, nor \$2,000,000 for any one fiscal year thereafter;

(f) To provide that during the contract period specified in this Article, subject to mutual agreement of the officials designated to execute such actions, payments for hospital care and for medical services provided to Commonwealth Army veterans, new Philippine Scouts, or to United States veterans may consist in whole or in part of available medicines, medical supplies, and equipment furnished by the Administrator of Veterans Affairs of the United States to the Veterans Memorial Hospital at valuations therefor as determined by the Administrator of Veterans Affairs of the United States, provided the valuations so determined shall not be less than the cost of the items furnished, including transportation;

(g) To provide that during the period covered by such contract the Republic of the Philippines and the Veterans Memorial Hospital will replace and upgrade, as needed, the equipment of such hospital and will rehabilitate the existing physical plant and facilities of such hospital as soon as practicable to place the hospital on a sound and effective operating basis;

(h) To provide that failure of the Republic of the Philippines and the Veterans Memorial Hospital to fulfill the commitment described in (g) above or to maintain such hospital in a well-equipped and effective operating condition, as determined by the Administrator of Veterans Affairs of the United States, shall be a ground for stopping payments under this Agreement upon reasonable notice as stipulated by the contract;

(i) To provide for grants by the Administrator of Veterans Affairs of the United States, on such terms and conditions as he may prescribe, to the Veterans Memorial Hospital which shall not exceed the amounts provided by the appropriation acts of the Congress of the United States for that purpose and in no event shall exceed the total amount of \$500,000, to assist the Republic of the Philippines in the replacement and upgrading of equipment and in rehabilitating the physical plant and facilities of such hospital;

(j) To provide for grants by the Administrator of Veterans Affairs of the United States to the Veterans Memorial Hospital for medical research and the training of health service personnel at such hospital which shall not exceed the amounts provided by the appropriation acts of the Congress of the United States for that purpose and in no event shall exceed \$100,000 for each fiscal year during the six years beginning with fiscal year 1967, which grants shall be made on terms and conditions prescribed by the Administrator, including approval by him of all research protocols, principal investigators, and training programs.

TITLE II

DELEGATION OF AUTHORITY

ARTICLE 2

The Secretary of National Defense of the Philippine Government, under the general direction of the President of the Republic of the Philippines, shall have full authority to administer for the Government of the Republic of the Philippines all matters relating to the provision of medical care and treatment for veterans, for replacement and upgrading of equipment and for rehabilitating the physical plant of the Veterans Memorial Hospital, and for medical research and the training of health service personnel at such hospital within the purview of Public Law 89-612, approved September 30, 1966, as embodied in Sections 622, 624 and 631-634, Title 38, United States Code.

TITLE III

DEFINITIONS

ARTICLE 3

(a) The term "Commonwealth Army veterans" is agreed to mean persons who served before July 1, 1946, in the organized military forces of the Government of the Philippines, while such forces were in the service of the Armed Forces of the United States pursuant to the military order of the President of the United States dated July 26, 1941, including among such military forces organized guerrilla forces under commanders

appointed, designated or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States, and who were discharged or released from such service under conditions other than dishonorable.

(b) The term "new Philippine Scouts" means persons who served in the Philippine Scouts under section 14 of the Armed Forces Voluntary Recruitment Act of 1945, and who were discharged or released from such service under conditions other than dishonorable.

(c) Determinations by the Department of Defense of the United States as to military service shall be accepted by the Veterans Administration. In those cases in which the Veterans Administration shall have information - which it deems reliable and in conflict with the information upon which a determination was made, such cases together with the information in the possession of the Veterans Administration shall be referred to the Department of Defense of the United States for reconsideration and redetermination. Such determinations and redeterminations, respectively, as to military service shall be conclusive for the purposes of this Agreement.

ARTICLE 4

The term "service-connected disabilities" is agreed to mean disabilities determined by the Administrator of Veterans Affairs of the United States under laws administered by the Veterans Administration to have been incurred in or aggravated by the service described in Article 3 in line of duty.

TITLE IV

USE OF FACILITIES OF THE VETERANS MEMORIAL HOSPITAL

ARTICLE 5

As previously agreed between the two Governments, the ownership of the Veterans Memorial Hospital and the equipment thereof has been vested in the Government of the Philippines and the use to which said hospital or any part or equipment thereof shall be devoted is for determination by mutual consent of the two Governments.

ARTICLE 6

Use by the Republic of the Philippines of the facilities of the Veterans Memorial Hospital shall be discretionary with the Republic of the Philippines except that:

(a) First priority of admission to and retention in the hospital shall be accorded Commonwealth Army veterans needing hospital care for service-connected disabilities or non-service-connected disabilities associated with and aggravating service-connected disabilities.

(b) Second priority shall be accorded new Philippine Scouts and United States veterans who require hospital care for service-connected disabilities or non-service-connected disabilities associated with and aggravating service-connected disabilities.