

No. 9860

**UNITED STATES OF AMERICA
and
PHILIPPINES**

Agreement on the use of the Veterans Memorial Hospital and the provision of inpatient 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. Signed at Manila on 25 April 1967

Authentic text: English.

Registered by the United States of America on 2 September 1969.

**ÉTATS-UNIS D'AMÉRIQUE
et
PHILIPPINES**

Accord relatif à l'utilisation du Veterans Memorial Hospital et à la fourniture par le Gouvernement philippin de soins et de traitements médicaux hospitaliers et post-hospitaliers aux anciens combattants et à l'octroi de subventions à cette fin par le Gouvernement des États-Unis d'Amérique. Signé à Manille le 25 avril 1967

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 2 septembre 1969.

AGREEMENT¹ 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 INPATIENT 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

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 Sections 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, 1958² under the provisions of PL 85-461 as amended by exchange of notes between the two governments dated June 28, 1963,³ pursuant to Public Law 88-40 approved June 13, 1963, 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 :

¹ Came into force on 25 April 1967, in accordance with article 16.

² United Nations, *Treaty Series*, vol. 321, p. 51.

³ United Nations, *Treaty Series*, vol. 479, p. 372.

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.

(c) Third priority shall be accorded Commonwealth Army veterans, new Philippine Scouts referred to in Article 1 (b), and United States veterans with wartime service, who need hospital care for non-service-connected disabilities.

TITLE V

OTHER PROVISIONS

Article 7

It is agreed between the two Governments that the determinations of legal eligibility and medical need for hospitalization of Commonwealth Army veterans

and the new Philippine Scouts for treatment rests exclusively with the Veterans Administration. The question of whether to hospitalize such veterans prior to an official determination of their legal eligibility and medical need having been made by the Veterans Administration, or whether to require such determinations to be made prior to hospitalizing them will be wholly within the discretion of the Secretary of National Defense of the Philippine Government, depending upon such contingencies and exigencies as the Secretary of National Defense of the Philippine Government may deem it appropriate to consider. No liability for reimbursement shall accrue to the Veterans Administration for any hospitalization of either a Commonwealth Army veteran or a new Philippine Scout until legal eligibility and medical need for hospitalization has been determined by the Veterans Administration, but when such determinations shall have been made, the liability for reimbursement shall, subject to such limitations as the rules and regulations of the Veterans Administration may provide, relate back to the date of admission to the hospital, except that no liability for reimbursement will extend to hospitalization under Public Law 89-612 of Commonwealth Army veterans for non-service-connected disabilities or of new Philippine Scouts for any period prior to the effective date of the contract authorized by this Agreement. Hospitalization in the Philippines of Commonwealth Army veterans found by the Veterans Administration to be in need of hospitalization for service-connected disabilities shall not be limited to hospitalization in the Veterans Memorial Hospital, but that hospital will be used to the maximum extent feasible in the hospitalization of such veterans.

Article 8

The contract entered into pursuant to this Agreement shall provide for hospitalization on a per diem basis for those United States veterans in the Philippines who may be found eligible by the Veterans Administration for such hospitalization. Hospitalization of United States veterans who are in need of treatment for non-service-connected disabilities shall be limited to treatment in the Veterans Memorial Hospital. Billings for services rendered these United States veterans will be made separately, and reimbursements, including travel expenses incident to such hospitalization, shall be payable from Veterans Administration appropriations and shall not be chargeable to the appropriate ceiling for the fiscal year in question for the hospitalization and travel expenses of Commonwealth Army veterans and new Philippine Scouts referred to in Article 1.

Article 9

The Administrator of Veterans Affairs of the United States will for a period coterminous with the period covered by the contract referred to in Article 1,

provide medical outpatient treatment in the Republic of the Philippines for Commonwealth Army veterans and new Philippine Scouts determined by the Administrator of Veterans Affairs of the United States to be in need of such medical outpatient treatment for service-connected disabilities. Expenses incident to such treatment shall be borne by the Administrator of Veterans Affairs of the United States and shall not be chargeable to the appropriate ceiling in question for hospitalization and travel expenses of Commonwealth Army veterans and new Philippine Scouts referred to in Article 1.

Article 10

The Secretary of National Defense of the Republic of the Philippines will, with the concurrence of the Administrator of Veterans Affairs of the United States, cause such printed forms of Applications for hospitalization, forms of physical examination reports, forms for billing for services rendered and such other forms and notices as may be necessary and incident to the efficient execution of this program to be prepared, and such approved forms will be used whenever applicable in the general operation of such program.

Article 11

The Secretary of National Defense of the Philippine Government shall furnish to the Administrator of Veterans Affairs of the United States, upon his request, or the request of any officer duly designated by him for such purpose, full and complete cost accounting information, copies of medical examination and treatment reports and any other information deemed by him to be necessary and incident to the proper application of the terms of this Agreement.

Article 12

The Government of the United States through such qualified persons as the Administrator of Veterans Affairs of the United States may designate shall have the right to inspect any hospital in which veterans are being hospitalized under the terms of this Agreement; to inspect and audit its books and all accounts as are incident to the proper determination of cost of and reimbursement, on a per diem basis, for such hospitalization; and to determine whether the hospital facilities, procedures, techniques, and standards, as well as the quality of subsistence furnished, are adequate and proportionate to the charges being made therefor.

Article 13

Appropriations for medical care and treatment for veterans under Subsection (b) of Section 632, Title 38, United States Code and for grants to the Veterans Memorial Hospital for medical research and the training of health service person-

nel at such hospital under Subsection (c) of Section 632 will if unobligated be reverted to the United States Treasury at the end of the fiscal year. Appropriations for grants to the Veterans Memorial Hospital to assist the Republic of the Philippines in upgrading of equipment and in rehabilitating the physical plant and facilities of such hospital shall remain available until expended.

Article 14

It is agreed between the two Governments that if the conditions and terms of the Agreement are not being met, the Secretary of National Defense of the Philippine Government and the Administrator of Veterans Affairs of the United States or his designee shall enter into immediate consultation with a view to compliance with said terms and conditions. The initiation of such consultations by either Government shall not limit or qualify the duty and obligation of the Administrator of Veterans Affairs of the United States to withhold or suspend payments when in his judgment such payments would not be in accordance with the terms of this Agreement.

Article 15

It is agreed between the two Governments that the program under this Agreement, including the contract referred to in Article 1, shall be effective from the date specified in such contract.

Article 16

The Agreement entered into between the two Governments on June 30, 1958, as amended shall terminate and the present agreement shall come into force on April 25, 1967 and remain in force until amended or terminated by subsequent agreement. Such amendment or revocation may be accomplished by an exchange of notes between the two Governments.

Article 17

The Government of the Republic of the Philippines shall save harmless all officers and employees of the Veterans Administration from damage suits or other civil actions arising out of the performance of their duties under this Agreement.

Article 18

Officers, employees, and agents of the Government of the United States who are citizens of the United States and who are on duty or who may be assigned to duty in the Republic of the Philippines under the provisions of the present

Agreement, and their families, shall be permitted to move freely into and out of the Republic of the Philippines, subject to existing visa and passport regulations. Gratis transit shall be extended to all such officers, employees or agents of the Veterans Administration over all bridges, ferries, roads, and other facilities of the highways where tolls are collected for passage of vehicles or occupants in the performance of their official duties.

Article 19

No import, excise, consumption, or other tax, duty, impost fee, charge or exaction shall be imposed or collected by the Republic of the Philippines on funds or property in the Republic of the Philippines which are for use for purposes under this Agreement, or on any funds or property imported into the Republic of the Philippines for use in connection with such purposes. No tax, duty, impost fee, charge or exaction shall be imposed or collected by the Republic of the Philippines on personal funds or movable property, not intended for resale, owned by Veterans Administration personnel under the program covered by this Agreement, who are citizens of the United States, not shall any tax, duty, impost fee, charge or exaction be imposed or collected by the Republic of the Philippines on the official emoluments paid to the Veterans Administration personnel, under the program covered by this Agreement, who are citizens of the United States, nor shall any tax, duty, impost fee, charge or exaction be imposed or collected by the Republic of the Philippines on personal funds or property, not intended for resale, imported into the Republic of the Philippines for the use of, or consumption by, Veterans Administration personnel under the program covered by this Agreement, who are United States citizens, nor shall any export or other tax, fee, charge or exaction be imposed or collected by the Republic of the Philippines on any of the foregoing funds or property mentioned in this Article in the event of their removal from the Republic of the Philippines.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, have signed this Agreement in duplicate, in the City of Manila, this 25th day of April, 1967.

For the Government of the United States of America :

James M. WILSON, Jr.
Chargé d'Affaires, American Embassy

For the Government of the Republic of the Philippines :

Jose D. INGLES
Acting Secretary of Foreign Affairs

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