

May 19, 1987

**AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND  
THE UNITED STATES OF AMERICA CONTINUING THE  
OPERATIONS OF THE UNITED STATES VETERANS  
ADMINISTRATION IN THE PHILIPPINES**

WHEREAS, the Congress of the United States by Public Law 99-166 approved December 12, 1985, and Public Law 99-576 approved October 28, 1986 as embodied in Subchapter IV of Chapter 17 of Title 38, United States Code, has provided for the extension of the operations of the United States Veterans Administration in the Philippines and for further assistance by grants-in-aid to the Republic of the Philippines for replacement and upgrading of equipment and for rehabilitation of the physical plant of the Veterans Memorial Medical Center, and

WHEREAS, commencing October 1, 1981, the Republic of the Philippines assumed full responsibility for the hospital and medical care and treatment of all Commonwealth Army veterans and new Philippine Scout veterans, and

WHEREAS, the United States of America is desirous of assisting the Republic of the Philippines in maintaining high quality medical care and treatment at the Veterans Memorial Medical Center, and

WHEREAS, the Republic of the Philippines is desirous of taking advantage of the provisions thereof for the purpose of continuing the operations of the United States Veterans Administration in the Philippines and for the purpose of replacement and upgrading of equipment and rehabilitation of the physical plant of the Veterans Memorial Medical Center.

The United States of America and the Republic of the Philippines have decided to conclude a new Agreement for the above purpose, the regulations relating to which the United States of America will promulgate in the Federal Register and do hereby agree as follows:

**TITLE I  
PURPOSE OF CONTRACT**

ARTICLE I. 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 631-633) 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 Medical Center subject to the approval of the Minister of National Defense of the Republic of the Philippines, as follows:

- (a) To provide reimbursement to the Republic of the Philippines by the United States of America for hospital care in the Republic of the Philippines of United States veterans 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 Medical Center of United States veterans determined by the Administrator of Veterans Affairs of the United States to be in need of such hospital care for nonservice-connected disabilities if they are unable to defray the expenses of such care;

(c) To provide reimbursement for medical services in the Republic of the Philippines for United States veterans determined by the Administrator of Veterans Affairs of the United States to be in need of such medical services for service-connected disabilities which shall be provided either in the Veterans Memorial Medical Center or by contract, the rates to be jointly determined for each fiscal year by the two Governments to be and reasonable;

(d) To provide reimbursement for nursing home care in the Republic of the Philippines for any United States veteran who has been furnished hospital care and who has been determined by the Administrator of Veterans Affairs of the United States to be in need of such nursing home care at a per diem rate to be jointly determined for each fiscal year by the two Governments to be fair and reasonable but in no event to exceed 50 per centum of the per diem rate established pursuant to (a) above;

(e) To provide reimbursement for travel expenses of United States veterans incident to such hospitalization, medical services, or nursing home care which are authorized by the Administrator of Veterans Affairs of the United States;

(f) To provide that the contract shall remain in force until September 30, 1989, unless extended by the agreement of both parties;

(g) To provide that during the contract period specified in this article, subject to actual agreement of the officials designated to execute such actions, payments for hospital care and for medical services provided 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 Medical Center 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;

(h) To provide that during the period covered by such contract the Republic of the Philippines and the Veterans Memorial Medical Center 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;

(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 Medical Center to assist the Republic of the Philippines