Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

GOVERNMENT SERVICE INSURANCE SYSTEM, Petitioner,	**G.R. No. 149571**
	Present:
- versus -	YNARES-SANTIAGO, ***J.**, Chairperson,* AUSTRIA-MARTINEZ, CALLEJO, SR., CHICO-NAZARIO, *and* NACHURA, ***JJ.***
BENJAMIN NONOY O. FONTANARES, Respondent.	Promulgated: February 21, 2007

x - x

D E C I S I O N

AUSTRIA-MARTINEZ, *J.*:

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assailing the Decision[1] dated February 6, 2001 of the Court of Appeals (CA) in CA-G.R. SP No. 54995, which reversed and set aside the Decision dated August 19, 1999 of the Employees Compensation Commission (ECC) in ECC Case No. MG-10489-499 affirming the judgment of the Government Service

Insurance System (petitioner); and the CA Resolution[2] dated August 21, 2001 which denied respondents Motion for Reconsideration.

This case originated from a claim for compensation, income, and hospitalization benefits filed by the respondent before the petitioner onSeptember 15, 1998 due to Rheumatic Heart Disease and Pulmonary Tuberculosis Minimal.

The facts of the case, as aptly summarized by the ECC, are as follows:

> x x x [Respondent] first joined government service as Storekeeper I at the Archives Division of Records Management and Archives Office, Department of Education, Culture and Sports in Manila on March 16, 1987. In March 1989, he was promoted to the position of Archivist I. On December 1, 1994, he transferred to the Maritime Industry Authority as Maritime Industry Development Specialist II.
>
> As Archivist I, his duties were as follows:
>
> 1. Processes notarial documents by preparing index guides, accession numbers and labels by bundles according to the names of notary public.
>
> 2. Retrieves notarial documents requested for on a first come first serve basis.
>
> 3. Prepares replies, written communication from the public.
>
> 4. Assists in sorting out incoming archival records and performs such other function/duties as may be assigned from time to time by his supervisors.
>
> As Maritime Industry Development Specialist II, his duties are as follows:
>
> 1. Prepares technical report, program and budget.
>
> 2. Inspects ships in the overseas and domestic trade.
>
> The records of the case further reveal that [respondent] was confined at the Chinese General Hospital from January 8 to 10, 1998 due to Rheumatic Valvular Disease with AS, MR, Cardiomyopathy and PTB Minimal. His chest x-rays taken on July

> 11, 1998 and October 2, 1998 showed findings consistent with PTB, minimal and Cardiomegaly.
> On account of his ailment, [respondent] filed with the [petitioner] a claim for compensation benefits under PD 626, as amended. Finding his ailment compensable, he was awarded Temporary Total Disability (TTD) benefits from January 8 to 10, 1998. However, [respondents] claim for compensation benefits on account of his Rheumatic Heart Disease was denied on the ground that the said ailment is not work-connected. Dissatisfied with the decision, [respondent] requested for the elevation of his case to [the ECC] for review pursuant to Section 5, Rule XVIII of the Rules of PD No. 626, as amended.[3]

On August 19, 1999, the ECC rendered herein assailed Decision affirming *in toto* the ruling of the petitioner. The ECC held that Rheumatic Heart Disease is not a compensable ailment under Presidential Decree (P.D.) No. 626, as amended; that the respondent failed to prove by substantial evidence that the risk of contracting the said ailment had been increased by his working conditions; and, that respondent failed to show any causal relation between his ailment and his working conditions.

Respondent appealed to the CA under Rule 43 of the Rules of Court. On February 6, 2001, the CA rendered its Decision, the dispositive portion of which reads:

> WHEREFORE, judgment is hereby rendered giving due course to the petition. The assailed decision of the Employees Compensation Commission datedAugust 19, 1999 is hereby SET ASIDE and another one entered declaring the illness Rheumatic Heart Disease compensable and directing the payment of the claim therefore [sic].
> SO ORDERED.[4]

The CA held that the working conditions exposed the respondent, then Storekeeper I and Archivist II, to chemical hazard, as certified by the Secretary of Health, which lowered his body resistance; that when he transferred to the Maritime Industry Authority and assumed the position of Maritime Safety Inspector/Surveyor, he was likewise

exposed to toxic fumes and gas coming from the residue of cargoes and was oftentimes made to work in 24 hour shifts; that, in view of these, the illness of respondent supervened during his employment and, therefore, the presumption arises that he acquired such ailments from his employment; that the Maritime Industry Authority failed to contest or controvert respondents claim within the proper period and, hence, it in effect admitted the compensability of the illness.

Hence, the instant Petition raising the following issues:

I.

WHETHER THE COURT OF APPEALS ERRED IN DECLARING RESPONDENT ENTITLED TO COMPENSATION BENEFITS EVEN THOUGH THERE WAS NO SHOWING THAT HIS WORKING CONDITIONS HAD INCREASED THE RISK OF HIS CONTRACTING RHEUMATIC HEART DISEASE.

II.

WHETHER THE ILLNESS RHEUMATIC HEART DISEASE IS COMPENSABLE WHEN SUCH DISEASE IS CLEARLY NOT INCLUDED IN THE LIST OF COMPENSABLE DISEASES UNDER PD 626, AS AMENDED.[5]

The petition has merit.

The principal question is whether the respondent is entitled to compensation benefits under existing law due to the condition of Rheumatic Heart Disease.

Respondent avers that the toxic fumes, overcrowded passengers, and animal cargoes in the vessels he inspected, exposed him to*streptococci* infection which, in turn, afflicted him with Rheumatic

Heart Disease; and, that the employees compensation law is social legislation and, hence, it should be interpreted liberally in favor of the worker; and to substantiate these allegations, he submitted the Certifications issued by the Department of Health, to the effect that the Records Management and Archives Office, including all (Medical Services) Divisions, is found to be exposed to chemical hazard, in performing its actual duties and responsibilities;[6] that all the employees of the Records Management and Archives Office at T.M. Kalaw St., Manila are at risk of developing respiratory illnesses due to their direct/indirect exposure to dust, biological hazards (such as fungi, yeast, etc.) producing noxious odor emanating from ancient files/vends which are preserved; that they are exposed to chemicals usually used as preservatives;[7] and, that the employees of the Records Management and Archives Office, Region XI, Davao City are at risk/danger to their health and safety due to the following findings/observations:

> 1. Risk from exposure to dangerous, noxious odors/toxic chemicals/ gas in the conduct of processing, pressuring and fumigation of old files and records; and,
>
> 2. Risk from exposure to biological hazards and other substances like dust, molds, ticks, silver fish and other insect and vectors located in the ill-ventilated and cramped workplace.[8]

A review of the findings of facts of the CA and the agencies *a quo* fails to show that the respondent discharged his burden of proof, under the measure of substantial evidence, that his working conditions increased the risk of contracting Rheumatic Heart Disease. In particular, the records show no medical information establishing the etiology of Rheumatic Heart Disease that would enable this Court to evaluate whether there is causal relation between the respondents employment and his illness.

In *Government Service Insurance System v. Court of Appeals,* [9] this Court comprehensively discussed the principles and policies of the existing compensation law, P.D. No. 626, as amended, *viz:*

> At the outset, certain basic postulates governing employees compensation benefits under P.D. No. 626 need be reviewed. ***First, said Decree abandoned the presumption of compensability and the theory of aggravation under the Workmens Compensation Act. Second, for the sickness and resulting disability or death to be compensable, the claimant must prove either of two (2) things: (a) that the sickness was the result of an occupational disease listed under Annex A of the Rules on Employees Compensation; or (b) if the sickness is not so listed, that the risk of contracting the disease was increased by the claimants working conditions. Third, the claimant must prove this causal relation between the ailment and working conditions by substantial evidence,*** since the proceeding is taken before the ECC, an administrative or quasi-judicial body. Within the field of administrative law, while strict rules of evidence are not applicable to quasi-judicial proceedings, nevertheless, in adducing evidence constitutive of substantial evidence, the basic rule that mere allegation is not evidence cannot be disregarded. Finally, in case of doubt in construction and interpretation of social legislation statutes, the liberality of the law in favor of the working man and woman prevails in light of the Constitutions social justice policy.
>
> On the other side of the coin, however, there is a competing, yet equally vital interest to heed in passing upon undeserving claims for compensation. It is well to remember that if diseases not intended by the law to be compensated are inadvertently or recklessly included, the integrity of the State Insurance Fund is endangered. Compassion for the victims of diseases not covered by the law ignores the need to show a greater concern for the trust fund to which the tens of millions of workers and their families look to for compensation whenever covered accidents, diseases and deaths occur. ***This stems from the development in the law that no longer is the poor employee still arrayed against the might and power of his rich corporate employer, hence the necessity of affording all kinds of favorable presumptions to the employee. This reasoning is no longer good policy.*** It is now the trust fund and not the employer which suffers if benefits are paid to claimants who are not entitled under the law. The employer joins the employee in trying to have their claims approved. ***The employer is spared the problem of proving a negative proposition that the disease was not caused by employment. Moreover, the new system instituted by the new law***

> ***has discarded, among others, the concept of presumption of compensability and aggravation and substituted one based on social security principles***. The new system is administered by social insurance agencies the GSIS and the SSS under the ECC.The purpose of this innovation was to restore a sensible equilibrium between the employers obligation to pay workmens compensation and the employees right to receive reparation for work-connected death or disability.[10] (Emphasis supplied)

There is no dispute that Rheumatic Heart Disease is not included under the P.D. No. 626, as amended, as an occupational disease.Hence, under P.D. No. 626, as amended, the employee must demonstrate through substantial evidence (1) that the risk of contracting the disease was increased by the claimants working conditions, and (2) the causal relation between the ailment and working conditions.

The petitioner correctly points out that the respondent failed to discharge his burden of proof. The Certifications of the Department of Health bear no relevance to the claims of the respondent for a number of reasons. *First,* the Certifications clearly state the purpose and period for which it may used, i.e., for the purpose of claims for hazard pay and for the years 1995 and 1996 only, thus indicating that the conditions may not necessarily exist before or after 1995 or 1996; and, *second,* the Certifications show that he had been exposed to toxic chemicals and biological hazards but do not go any furtherthey do not indicate the causal relation between the exposure and Rheumatic Heart Disease.

In its Decision, the ECC, quoting medico-legal authorities, explained the nature of Rheumatic Heart Disease, thus:

> x x x **either resulted from or ascribed to previous rheumatic fever.** With the declining incidence of acute rheumatic fever, other etiologies are increasingly recognized; congenital defects that may become apparent until late childhood or adult years, myxomatous, scleroris and calcifications. Whatever the

> etiology, valve obstruction or regurgitation causes characteristic physical and laboratory findings. Secondary infective endocarditis is a continuing hazard for these patients. Antistreptococcal prophylaxis is advisable. (Reference: Mercks Manual, 14th Edition, page 526).[11] (Emphasis supplied)

The respondent failed to prove that his work conditions had predisposing factors that caused Rheumatic Fever which, in turn, led to Rheumatic Heart Disease, the subject ailment. Exposure to toxic chemicals and biological hazards does not by itself constitute the cause of respondents ailment. Moreover, respondent failed to present evidence that he ever contracted Rheumatic Fever which could have led to Rheumatic Heart Disease.

The ECC correctly held:

> It is well-settled under the Employees Compensation Law that when the claimed contingency is not the direct result of the covered employees employment, as in the instant case, and the claimant failed to show proof that the risk of contracting the disease was increased by the covered employees employment and working conditions, the claim for compensation benefits cannot prosper.
> Since there is no causal relation between [respondents] ailment, Valvular Heart Disease, and his employment and working conditions; nor are there indications that the nature of his work had increased the risk of contracting the said disease, [the petitioner] is correct in denying [respondents] application for compensation benefits under PD No. 626, as amended.[12]

The Court affirms the findings of the agencies *a quo*. The CA erred in disregarding the findings of the ECC on the technical matter concerning the nature of respondents illness.

This is one instance when, pursuant to prudence and judicial restraint, a tribunals zeal in bestowing compassion must yield to the precept in administrative law that in [the] absence of grave abuse of discretion, courts are loathe to interfere with and should respect the

findings of quasi-judicial agencies in fields where they are deemed and held to be experts due to their special technical knowledge and training.[13]

The CA likewise erred when it ruled that where the illness supervened during employment, the presumption is that such illness arose out of the employment. Before P.D. No. 626, as amended, the employee need not present any proof of causation. It was the employer who should prove that the illness or injury did not arise out of or in the course of employment.[14] However, P.D. No. 626, as amended, changed the system of compensation. As discussed in *Government Service Insurance System,* this Court explicitly held that the concept of presumption of compensability and aggravation has been discarded by the new system. The purpose of this innovation was to restore a sensible equilibrium between the employers obligation to pay workmens compensation and the employees right to receive reparation for work-connected death or disability. This principle has been affirmed in a line of cases.[15]

WHEREFORE, the petition is **GRANTED**. The Decision and Resolution of the Court of Appeals are **REVERSED** and **SET ASIDE**. The Decision of the Employees Compensation Commission dated August 19, 1999 is **AFFIRMED**.

No pronouncement as to costs.

SO ORDERED.

MA. ALICIA AUSTRIA-MARTINEZ
Associate Justice

WE CONCUR:

CONSUELO YNARES-SANTIAGO
Associate Justice
Chairperson

ROMEO J. CALLEJO, SR.
Associate Justice

MINITA V. CHICO-NAZARIO
Associate Justice

ANTONIO EDUARDO B. NACHURA
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Courts Division.

CONSUELO YNARES-SANTIAGO
Associate Justice
Chairperson, Third Division

C E R T I F I C A T I O N

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairpersons Attestation, it is hereby certified that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Courts Division.

REYNATO S. PUNO

Chief Justice

---

[1] Penned by Associate Justice Eugenio S. Labitoria (now retired), with Associate Justices Eloy R. Bello, Jr. and Perlita J. Tria Tirona, concurring, *rollo*, p. 31.
[2] Ibid.
[3] *Rollo*, pp. 39-43.
[4] Id. at 35-36.
[5] Id. at 87.
[6] CA *rollo,* p. 65.
[7] *Rollo*, p. 66.
[8] Id.at 68.
[9] 357 Phil. 511 (1998).
[10] Id. at 528-530.
[11] *Rollo*, pp. 42-43.
[12] Id. at 43.
[13] *Government Service Insurance System v. Court of Appeals*, supra note 9 at 535.
[14] *Valencia v. Workmens Compensation Commission*, 164 Phil. 261, 267 (1976), citing Section 44, as amended, of Act No. 3428; *A.D. Santos, Inc. v. De Sapon*, 123 Phil. 630, 634 (1966);*Naira v. Workmens Compensation Commission*, 116 Phil. 675, 677-678 (1962).
[15] See *Jimenez v. Court of Appeals*, G.R. No. 144449, March 23, 2006, 485 SCRA 149, 161; *Government Service Insurance System v. Cuanang*, G.R. No. 158846, June 3, 2004, 430 SCRA 639, 648; *Salalima v. Employees Compensation Commission*, G.R. No. 146360, May 20, 2004, 428 SCRA 715, 723; *Orate v. Court of Appeals*, 447 Phil. 654, 661 (2003).