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[G.R. No. 182604. September 27, 2016]

DR. ROLANDO B. MANGUNE, DR. RENE A. ARCE AND EMMA E. TAÑAFRANCA, IN THEIR RESPECTIVE PERSONAL CAPACITIES AND AS ATTORNEYS-IN-FACT FOR AND IN BEHALF OF DR. VIRGINIA M. AGUILAS, ROLANDO R. ANATALIO, DR. LEA M. DE LEON-ASI, CATALINO N. ATANACIO, JR., JULIANA M. BATALLER, MA. LUISA B. CAÑEZA, LILIAN C. CANILAO, RANIEL S. CAPADA, FLORENDO A. DAYUS, JENNIFER D. PAGULAYAN, BIENVENIDO C. DE VILLA, JOSE A. DELOS REYES, CYNTHIA A. DIAZ, ANNA LEAH D. DIPATUAN, MADELAINE M. ESTOCAPIO, DR. MARIA SONIA YEE-FESTIN, MARIO E. FLORENDO, RUEL E. FORTUNADO, NATIVIDAD A. GAMIAO, IRMA Q. ANDAL, CHARITO C. LAZAM, AGNES R. LOVINDINO, EVELYN M. MABAG, RECHILDA B. MACAFE, ZENAIDA M. MADIANGKIT, ANGELICA T. MALAZARTE, DOMINGO P. MANAY, DR. EDGAR ORVEN M. MORTEL, SATURNINO E. QUIBAN, MARITES J. RAMOS, DR. MELINDA S.L. A. RAZALAN, BAITONGGAL L. SAUDAGAL, DR. JOHN ALBERT V. TABLIZO, JULIETA T. TERANIA, ANNIE B. TRINIDAD, JUDY T. AVNER, DR. ROMEO F. UY, AVELONA A. VEA, MINVILUZ G. VERA CRUZ, PEÑAFLOR M. VILLAFLOR, JR., AND DR. LEOPOLDO P. SISON, JR., ALL OF TAGUIG-PATEROS DISTRICT HOSPITAL, PETITIONERS, VS. HONORABLE SECRETARY EDUARDO ERMITA, IN HIS OFFICIAL CAPACITY AS EXECUTIVE SECRETARY, HONORABLE SECRETARY FRANCISCO DUQUE III, IN HIS OFFICIAL CAPACITY AS SECRETARY OF THE DEPARTMENT OF HEALTH, THE CITY GOVERNMENT OF TAGUIG AS REPRESENTED BY ITS MAYOR, HONORABLE SIGFRIDO R. TINGA, AND THE MUNICIPAL GOVERNMENT OF PATEROS, AS REPRESENTED BY ITS MAYOR, HONORABLE ROSENDO CAPCO, RESPONDENTS.

D E C I S I O N

JARDELEZA, J.:

Before us is a Petition for Review^[1] assailing the Decision^[2] dated January 2, 2008 (assailed Decision) and Order^[3] dated April 14, 2008 (assailed Order) of the Regional Trial Court (RTC) of Manila, Branch 20 in Civil Case No. 07-116531, upholding the constitutionality of Executive Order No. 567^[4] (E.O. No. 567), issued by then President Gloria Macapagal-Arroyo (President Arroyo) on September 8, 2006.

Facts of the Case

On July 25, 1994, Republic Act No. 7842^[5] (R.A. No. 7842) was enacted establishing, under the administration and supervision of the Department of Health (DOH), the Taguig-Pateros District Hospital (TPDH).

On September 8, 2006, President Arroyo issued E.O. No. 567 devolving the administration and supervision of TPDH from the DOH to the City of Taguig.^[6] E.O. No. 567 provided that it was issued pursuant to Republic Act No. 7160 (R.A. No. 7160), otherwise known as the Local Government Code of 1991 (Local Government Code) and the President's continuing authority to reorganize the offices under the executive department.

Thus, the City of Taguig, through its then Mayor and respondent Hon. Sigfrido R. Tinga (Mayor Tinga), issued Executive Order No. 053^[7] (E.O. No. 053) dated October 18, 2006 formalizing the plan for the City of Taguig's take-over of the operations of TPDH. The City of Taguig and the DOH subsequently entered into a Memorandum of Agreement^[8] (MOA) dated October 23, 2006 providing the details of the transition and turn-over of the hospital's operations from the DOH to the City of Taguig.

In the meantime, petitioners, who were employees of the DOH assigned to the TPDH, submitted a position paper to the then Secretary of Health, respondent Hon. Francisco Duque III (Secretary Duque), expressing their objections to E.O. No. 567.^[9] The position paper was received by the Office of the Secretary on November 6, 2006.^[10] However, the DOH did not act on the Position Paper.^[11] Petitioners also wrote a letter^[12] to the Office of the President requesting the deferment of the implementation of E.O. No. 567, which also took no action.^[13]

Thereafter, on January 3, 2007, Mayor Tinga issued Executive Order No. 001^[14] (E.O. No. 001) creating the TPDH Management Team which will implement the MOA and directing the creation of an audit team which will conduct an inventory of all the medical supplies, materials, equipment and other documents to be turned-over from the DOH to the City of Taguig.

On January 15, 2007, petitioners filed a Petition for Declaratory Relief^[15] against respondents in the RTC of Manila. On January 26, 2007, petitioners filed an amended Petition for Prohibition and *Certiorari* under Rule 65 of the Rules of Court with prayer for *Ex-Parte* Issuance of 72-hour Temporary Restraining Order (TRO), 20-day TRO and Writ of

Preliminary Injunction.^[16] The petition prayed that E.O. No. 567 be declared unconstitutional, illegal and null and void for having been issued in violation of the constitutional principle of separation of powers and with grave abuse of discretion amounting to lack or excess of jurisdiction.^[17]

The RTC denied petitioners' prayer for a 72-hour TRO and 20-day TRO.^[18] As for the Writ of Preliminary Injunction, the RTC, in its Order^[19] dated February 9, 2007, deemed the prayer for the same withdrawn in light of petitioners' manifestation that they are no longer pursuing their prayer for the writ.

On motion^[20] of petitioners and due to the Municipal Government of Pateros' failure to file its Answer to the amended petition despite notice, the RTC declared it in default.^[21]

After the parties filed their respective pleadings, marked their exhibits and identified the issues, the RTC, on July 26, 2007, issued the Pre-Trial Order.^[22] As only legal issues are involved, the RTC directed the parties to file their respective position papers after which, the petition will be submitted for decision.^[23]

Respondents City of Taguig, Executive Secretary Eduardo Ermita and DOH Secretary Francisco Duque III, and petitioners filed their respective position papers.^[24]

Ruling of the RTC

The RTC dismissed the petition and held E.O. No. 567 valid and constitutional.

The RTC held that the issuance of E.O. No. 567 is in accordance with the President's power of supervision over government entities in the executive department.^[25] The RTC also ruled that R.A. No. 7842, which established the TPDH, did not prohibit the devolution of the TPDH's administration and supervision from the DOH to the City of Taguig because the constitutional provision on local autonomy and provisions of the Local Government Code on devolution are impliedly written in R.A. No. 7842.^[26] Further, the Local Government Code provides that any doubt must be resolved in favor of devolution.^[27]

The RTC further opined that petitioners failed to exhaust administrative remedies when they did not seek the intervention of the Civil Service Commission (CSC) with respect to their transfer or reassignment^[28] and when they failed to bring action against the DOH and the Office of the President for their inaction on their objections to E.O. No. 567.^[29]

Petitioners filed a Motion for Reconsideration^[30] which the RTC denied through the assailed Order.

Hence, this petition.

Issues

- I. Whether the doctrine of exhaustion of administrative remedies applies; and
- II. Whether E.O. No. 567 is constitutional.

Ruling

We deny the petition.

The doctrine of exhaustion of administrative remedies does not apply.

The doctrine of exhaustion of administrative remedies provides that a party must first avail himself or herself of all the means of administrative processes afforded him or her before he or she is allowed to seek the intervention of the court.^[31] If resort to a remedy within the administrative machinery can still be made by giving the administrative officer concerned every opportunity to decide on a matter that comes within his or her jurisdiction, then such remedy should be exhausted first before the court's judicial power can be sought. The premature invocation of the intervention of the court is fatal to one's cause of action.^[32] However, the doctrine admits of exceptions, one of which is when the issue involved is purely a legal question.^[33] As the issue in this case involves the legality of E.O. No. 567, a purely legal question, the filing of the petition without exhausting administrative remedies is justified.

E.O. No. 567 is constitutional.

E.O. No. 567 reads in full:

Executive Order No. 567

DEVOLVING THE TAGUIG-PATEROS DISTRICT HOSPITAL FROM
THE DEPARTMENT OF HEALTH TO THE CITY OF TAGUIG

WHEREAS, Republic Act No. 7842 approved on 16 December 1994 established the Taguig-Pateros District Hospital under the administration and supervision of the Department of Health (DOH);

WHEREAS, under Republic Act No. 7160 otherwise known as the Local Government Code of 1991, local government units (LGUs) shall exercise such powers and discharge such functions and responsibilities as are necessary, appropriate or incidental to efficient and effective provision of basic services and facilities which cover, among others, health services including secondary and tertiary hospitals;

WHEREAS, the President has the continuing authority to reorganize the offices under the executive department;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. The administration and supervision of Taguig-Pateros District Hospital is hereby devolved from the Department of Health to the City of Taguig.

Section 2. All laws, issuances, rules and regulations which are inconsistent with this Order are hereby repealed or modified accordingly.

Section 3. This Executive Order shall take effect fifteen (15) days after its publication in a national newspaper of general circulation.

Done in the City of Manila, this 8th day of September, in the year of Our Lord, Two Thousand and Six.

Petitioners aver that E.O. No. 567 contradicts the constitutional principle of separation of powers as: (1) it amends the Local Government Code, particularly its Section 17(e), which limits devolution of basic services and facilities to local government units (LGUs) to only six

(6) months after the effectivity of the law;^[34] and (2) it violates the DOH-issued Implementing Rules and Regulations (IRR) of the Local Government Code which provides that district health offices in the National Capital Region (NCR), including its district hospitals, are exempt from devolution.^[35] Petitioners also argue that E.O. No. 567 violates Republic Act No. 7305^[36] (R.A. No. 7305) because the former did not include provisions for the expenses relative to petitioners' transfer and reassignment.^[37]

Respondents counter that the issuance of E.O. No. 567 is within the President's constitutional power of control over government entities in the executive department, her continuing authority to reorganize the administrative structure of the Office of the President and her constitutional duty to ensure that the laws are faithfully executed. Consequently, the MOA between the City of Taguig and DOH as well as the subsequent executive orders of then Mayor Tinga are valid.^[38]

Administrative or executive acts, orders and regulations shall be valid only when they are not contrary to the laws or the Constitution.^[39] Thus, to be valid, an administrative issuance, such as an executive order,^[40] must comply with the following requisites:

- (1) Its promulgation must be authorized by the legislature;
- (2) It must be promulgated in accordance with the prescribed procedure;
- (3) It must be within the scope of the authority given by the legislature; and
- (4) It must be reasonable.^[41]

E.O. No. 567 satisfies all of the above requisites.

First, E.O. No. 567 itself identifies its statutory and constitutional basis.

E.O. No. 567 was issued pursuant to Section 17 of the Local Government Code expressly devolving to the local government units the delivery of basic services and facilities, including health services, to wit:

Sec. 17. Basic Services and Facilities. -

(a) Local government units shall endeavor to be self-reliant and shall continue exercising the powers and discharging the duties and functions currently vested upon them. **They shall also discharge the functions and responsibilities of national agencies and offices devolved to them** pursuant to this Code. **Local government units shall likewise exercise such other powers and discharge such other functions and responsibilities as are necessary, appropriate,**

or incidental to efficient and effective provisions of the basic services and facilities enumerated herein.

(b) Such basic services and facilities include, but are not limited to, the following:

x x x

(2) For a Municipality:

x x x

(iii) Subject to the provisions of Title Five, Book I of this Code, health services which include the implementation of programs and projects on primary health care, maternal and child care, and communicable and non-communicable disease control services, access to secondary and tertiary health services; purchase of medicines, medical supplies, and equipment needed to carry out the services herein enumerated;

x x x

(4) For a City:

All the services and facilities of the municipality and province. x x x

x x x

(e) **National agencies or offices concerned shall devolve to local government units the responsibility for the provision of basic services and facilities** enumerated in this Section within six (6) months after the effectivity of this Code.

As used in this Code, the term **“devolution”** refers to the act by which the **national government confers power and authority upon the various local government units to perform specific functions and responsibilities.**^[42]

It is the policy of the Local Government Code to provide for a more responsive and accountable local government structure through a system of decentralization.^[43] Thus, E.O. No. 567 merely implements and puts into operation the policy and directive set forth in the Local Government Code.

Similarly, E.O. No. 567 is within the constitutional power of the President to issue. The President may, by executive or administrative order, direct the reorganization of government entities under the executive department. This is sanctioned under the Constitution, as well as other statutes.^[44]

In *Tondo Medical Center Employees Association v. Court of Appeals*,^[45] petitioners questioned the validity of Executive Order No. 10246 (E.O. No. 102^[46]) issued by then President Joseph Ejercito Estrada which, also pursuant to Section 17 of the Local Government Code, provided for the changes in the roles, functions, and organizational processes of the DOH. Petitioners alleged that E.O. No. 102 was void on the ground that it was issued in excess of the President's authority, as the structural and functional reorganization of the DOH is a legislative function.^[47] In rejecting petitioners' argument, we held that the issuance of E.O. No. 102 is an exercise of the President's constitutional power of control over the executive department, supported by the provisions of the Administrative Code, recognized by other statutes, and consistently affirmed by this Court.^[48] Similarly, in *Malaria Employees and Workers Association of the Philippines, Inc. v. Romulo*,^[49] where the issue is also the validity of E.O. No. 102, we reiterated that the President has the authority to carry out a reorganization of the DOH under the Constitution and other statutory laws.

Our ruling in the above cases applies squarely in this case. The transfer of the administration and supervision of TPDH from the DOH to the City of Taguig is a result of the President's exercise of her power of control over the executive department, including the DOH.

The Constitution declares it a policy of the State to ensure the autonomy of local governments while Section 17 of the Local Government Code secures to the local governments the genuine and meaningful autonomy that would develop them into self-reliant communities and effective partners in the attainment of national goals.^[50] Therefore, in issuing E.O. No. 567, the President was actually carrying out the provisions of the Constitution and the Local Government Code. She was performing her duty to ensure the faithful execution of the laws.^[51]

As regards the **second** requisite, that the order must be issued or promulgated in accordance with the prescribed procedure, petitioners do not question the procedure by which E.O. No. 567 was issued. In the absence of strong evidence to the contrary, acts of the other branches of the government are presumed to be valid, and there being no objection from the respondents as to the procedure in the promulgation of E.O. No. 567, the presumption is that the executive issuance duly complied with the procedures and limitations imposed by law.^[52]

The **third** requisite provides that an administrative issuance must not be *ultra vires* or beyond the limits of the authority conferred. It must not supplant or modify the Constitution, its enabling statute and other existing laws, for such is the sole function of the legislature which the other branches of the government cannot usurp.^[53]

In assailing E.O. No. 567, petitioners argue that it violates Section 17(e) of the Local Government Code. Section 17(e) partly reads:

(e) National agencies or offices concerned shall devolve to local government units the responsibility for the provision of basic services and facilities enumerated in this Section within six (6) months after the effectivity of this Code.

x x x

For petitioners, the provision limits the devolution of services to a period of only six (6) months from the effectivity of the Local Government Code. Any devolution after the expiration of such period can only be done through a statutory act. Thus, the issuance of E.O. No. 567, which was well-beyond such period, is a clear usurpation of legislative functions.

In order to ascertain whether the six-month period bars devolution after its expiration, we bear in mind that we must interpret not by the letter that killeth, but by the spirit that giveth life.^[54] Thus, we revisit the Declaration of Policy of the Local Government Code, which provides:

Sec. 2. Declaration of Policy. -

(a) It is hereby declared the policy of the State that the territorial and political

subdivisions of the State shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals. Toward this end, the State shall provide for a more responsive and accountable local government structure instituted through a system of decentralization whereby local government units shall be given more powers, authority, responsibilities, and resources. The process of decentralization shall proceed from the national government to the local government units.

(b) It is also the policy of the State to ensure the accountability of local government units through the institution of effective mechanisms of recall, initiative and referendum.

(c) It is likewise the policy of the State to require all national agencies and offices to conduct periodic consultations with appropriate local government units, non governmental and people's organizations, and other concerned sectors of the community before any project or program is implemented in their respective jurisdictions.^[55]

The foregoing provision echoes Section 3, Article X of the 1987 Constitution, which reads:

Sec. 3. The Congress shall enact a local government code which shall provide for a more responsive and accountable local government structure instituted through a system of decentralization with effective mechanisms of recall, initiative, and referendum, allocate among the different local government units their powers, responsibilities, and resources, and provide for the qualifications, election, and appointment and removal, term, salaries, powers and functions and duties of local officials, and all other matters relating to the organization and operation of the local units.^[56]

Decentralization is the devolution of national administration, not power, to local governments.^[57] One form of decentralization is devolution,^[58] which involves the transfer of powers, responsibilities, and resources for the performance of certain functions from the central government to the LGUs.^[59] It has been said that devolution is indispensable to decentralization.^[60]

Based on the foregoing, there is no question that the law favors devolution. In fact, as mentioned earlier, Section 5(a) of the Local Government Code explicitly states that in case of doubt, any question on any provision on a power of a local government shall be resolved in favor of devolution of powers and of the LGU.

Considering the same, petitioners' restrictive interpretation of Section 17(e) is inconsistent with the Constitution and the Local Government Code. It limits the devolution intended by both the Constitution and the Local Government Code to an unduly short period of time.

The more reasonable understanding of the six-month period is that the framers of the law provided for the period to prompt the national government to speedily devolve the existing services to the LGUs. However, it was not intended as a prescriptive period, as to absolutely prohibit the national government from devolving services beyond the period. Most especially so in this case because the TPDH was created long after the lapse of the six-month period, thus making its devolution within such period impossible.

Notably, there is nothing in Section 17(e) or in the Local Government Code which provides for what would happen after the six-month period. Therefore, it cannot be said that the law clearly and unequivocally prohibits devolution after the six-month period.

In support of their position that devolution can only be done within said period, petitioners quote a portion of the Transcript of the Session Proceedings for the Local Government Code.^[61] However, a reading of the quoted transcript indicates that what the legislators considered was when the law and devolution will commence and not their intent to prohibit devolution after the end of the six-month period. Notably, in *Tondo Medical Center Employees Association*, we upheld the validity of E.O. No. 102 which also sought to implement the devolution of services under the Local Government Code, even if it was issued long after the lapse of the six-month period.

Petitioners also posit that E.O. No. 567 violates the IRR promulgated by the DOH pursuant to Article 25 of the IRR of the Local Government Code as it excludes district health offices and hospitals in the NCR, including TPDLI, from devolution.

We emphasize that under the Local Government Code, it is the Oversight Committee, composed of representatives from both the executive and the legislative branches of government, which was tasked to formulate the implementing rules and regulations of the law.^[62] The Local Government Code did not delegate to any other entity the formulation of its implementing rules and regulations. Thus, on February 21, 1992, President Corazon C.

Aquino approved the Oversight Committee's draft of the implementing rules and regulations and issued Administrative Order No. 270^[63] (A.O. No. 270).

Petitioners' position that Article 25 of the IRR of the Local Government Code further delegated to the DOH the task of formulating another set of implementing rules and regulations is without any basis.

The Local Government Code and its IRR do not contain any provision directing the DOH to promulgate implementing rules and regulations on the devolution of health services. The pertinent portion of Article 25 of the IRR of the Local Government Code actually states:

Art. 25. Responsibility for Delivery of Basic Services and Facilities. - The LGUs shall, in addition to their existing functions and responsibilities, provide basic services and facilities devolved to them covering, but not limited to, the following:

x x x

Municipality

x x x

- (c) Subject to the provisions of Rule XXIII on local health boards and in accordance with the standards and criteria of the Department of Health (DOH), provision of health services through:
- (1) Implementation of programs and projects on primary health care, maternal and child care, and communicable and non-communicable disease control services;
 - (2) Access to secondary and tertiary health services; and
 - (3) Purchase of medicines, medical supplies, and equipment needed to carry out the devolved health services.

x x x

Based from the above, Article 25 mandates that the health services to be provided by the LGUs must comply with the standards and criteria given by the DOH. It does not direct the

DOH to create rules on how devolution of health services must be implemented.

Indeed, petitioners' failure to explain why there would be two (2) implementing rules and regulations for a single law and its basis proves that their position is without any merit. More, their failure to provide important details regarding the supposed DOH IRR such as its title and number, date of issuance and series number signifies the falsity of petitioners' claim.

Even assuming that the DOH was directed to promulgate a subsequent IRR, and that the DOH issued the IRR, said IRR does not exempt district health offices, including hospitals in the NCR from devolution. The quoted sections of the alleged DOH IRR read:

Sec. 17. General Provisions. -

The DOH shall devolve to LGUs concerned public health programs and projects and such health and medical packages as currently in place at the

- (a) Integrated Provincial Health Offices, District Health Offices, City Health Offices, and Municipal Health Offices, including the barangay health stations as follows:

x x x

- (3) Secondary health services are medical health services provided by some rural health units, infirmaries, district hospitals and out-patient departments of provincial hospitals. x x x

Sec. 18. Specific Provisions. - The devolution prescribed in the preceding section shall include the following:

- (a) Province

The Integrated Provincial Health Office including the provincial hospital, district health offices including district hospitals, Medicare and

- (1) municipal hospitals. However, the district health offices in the National Capital Region including its district hospitals are not included in the devolution as prescribed herein. x x x^[64]

Section 18 (a)(1) merely excludes district hospitals in the NCR from the process of devolution as prescribed in Section 17. The former does not entirely prohibit devolution of health services in district hospitals in the NCR.

At any rate, we emphasize that the DOH is subject to the power of control of the President. Therefore, E.O. No. 567 issued by the President shall prevail over any issuance made by the DOH and not the other way around.

The **fourth** requisite pertains to the reasonableness of an administrative issuance. It is an axiom in administrative law that administrative authorities should not act arbitrarily and capriciously in the issuance of rules and regulations. To be valid, such rules and regulations must be reasonable and fairly adapted to secure the end in view. If shown to bear no reasonable relation to the purposes for which they were authorized to be issued, then they must be held to be invalid.^[65] Specific to a reorganization, it is regarded as valid provided it is pursued in good faith. As a general rule, a reorganization is carried out in good faith if it is *for the purpose of economy or to make bureaucracy more efficient*.^[66]

E.O. No. 567 meets the test of reasonableness. The transfer of the administration and supervision of TPDH from the DOH to the City of Taguig aims to provide the City of Taguig the genuine and meaningful autonomy which would make it an effective and efficient partner in the attainment of national goals and providing basic health services and facilities to the community. It implements and breathes life to the provisions of the Constitution and the Local Government Code on creating a more responsive and accountable local government structure instituted through a system of decentralization.

Petitioners complain that E.O. No. 567 violated their rights because they were transferred to other public health facilities without being afforded with the necessary provisions for expenses relative to their transfer and reassignment, as required by Section 6 of R.A. No. 7305.

Similar to our ruling in *Tondo Medical Center Employees Association*, we hold that petitioners' allegations are too general and unsubstantiated by the records for us to pass upon. The persons affected are not specified; details of their appointments and transfers—such as position, salary grade, and the date they were appointed—are not given; and the circumstances which attended the alleged violations are not identified.^[67] Further, while we recognize the inconvenience which may be suffered by petitioners as a result of E.O. No. 567, the need to make the delivery of health services more efficient and more compelling is far from being unreasonable or arbitrary.

Be that as it may, we stress that E.O. No. 567 only lays down the directive to transfer the administration and supervision of TPDH from the DOH to the City of Taguig. The details and particulars of its implementation are set forth in the subsequent issuances of the City of Taguig, *i.e.*, E.O. No. 053 and E.O. No. 001, as well as the MOA dated October 23, 2006 between the DOH and the City of Taguig.

Considering the validity of E.O. No. 567, the subsequent Executive Orders issued by Mayor Tinga, as well as the MOA between the DOH and the City of Taguig, implementing E.O. No. 567 are likewise valid.

In sum, we find that the petition failed to show any constitutional infirmity or grave abuse of discretion amounting to lack or excess of jurisdiction in President Arroyo's issuance of E.O. No. 567.

WHEREFORE, premises considered, the petition is **DENIED**. The January 2, 2008 Decision and April 14, 2008 Order of the Regional Trial Court of Manila, Branch 20 in Civil Case No. 07-116531 are hereby **AFFIRMED**.

SO ORDERED.

Sereno, C. J., Velasco, Jr., Peralta, Bersamin, Del Castillo, Perez, Mendoza, Perlas-Bernabe, Leonen, and Caguioa, JJ., concur.

Carpio, J., on official leave.

Leonardo-De Castro, J., on official travel.

Brion, J., on leave.

Reyes, J., on leave.

NOTICE OF JUDGMENT

Sirs/Mesdames:

Please take notice that on September 27, 2016 a Decision/Resolution, copy attached herewith, was rendered by the Supreme Court in the above-entitled case, the original of which was received by this Office on October 20, 2016 at 2:30 p.m.

Very truly yours,
(SGD)
FELIPA G.
BORLONGAN-ANAMA
Clerk of Court

^[1] Under Rule 45 of the Rules of Court, *rollo*, pp. 33-57.

^[2] *Id.* at 7-20; panned by Presiding Judge Marivic T. Balisi-Umali.

^[3] *Id.* at 22.

^[4] Devolving the Taguig-Pateros District Hospital from the Department of Health to the City of Taguig; *id.* at 106.

^[5] An Act Establishing a One Hundred-Bed District Hospital in the Municipality of Taguig, Metro Manila, to be known as the Taguig-Pateros District Hospital, Appropriating Funds Therefor and for Other Purposes.

^[6] E.O. No. 567, Sec. 1.

^[7] *Rollo*, pp. 120-121.

^[8] *Id.* at 126-129.

^[9] *Id.* at 112-115.

^[10] *Id.* at 112.

^[11] *Id.* at 8.

^[12] *Id.* at 116.

^[13] *Id.* at 8.

^[14] *Id.* at 132.

^[15] *Id.* at 58-74.

^[16] *Id.* at 75-96.

^[17] *Id.* at 94.

^[18] *Id.* at 7.

^[19] *Id.* at 143.

^[20] *Id.* at 187-190.

^[21] *Id.* at 191.

[22] *Id.* at 216-222.

[23] *Id.* at 222.

[24] *Id.* at 223-228, 229-255, 256-273.

[25] *Id.* at 18.

[26] *Id.*

[27] *Id.*

[28] *Rollo*, p. 19.

[29] *Id.* at 19-20.

[30] *Id.* at 289-299.

[31] *Catipon, Jr. v. Japson*, G.R. No. 191787, June 22, 2015, 759 SCRA 557, 573.

[32] *Public Hearing Committee of the Laguna Lake Development Authority v. SM Prime Holdings, Inc.*, G.R. No. 170599, September 32, 2010, 631 SCRA 73, 79-80.

[33] *Cudia v. The Superintendent of the Philippine Military Academy*, G.R. No. 211362, February 24, 2015, 751 SCRA 469, 517-518.

[34] *Rollo*, pp. 47-49, 383-390.

[35] *Id.* at 49-51, 390-391.

[36] *The Magna Carta of Public Health Workers* (1992).

[37] *Rollo*, pp. 45-46, 381-383.

[38] *Id.* at 311-319, 322-350.

[39] CIVIL CODE, Art. 7.

[40] Sec. 2. *Executive Orders*. - Acts of the President providing for rules of a general or permanent character in implementation or execution of constitutional or statutory power shall be promulgated in executive orders. (Chapter 2, Title I, Book III, Executive Order No.

292, otherwise known as the Administrative Code of 1987)

^[41] *Executive Secretary v. Southwing Heavy Industries, Inc.*, G.R. No. 164171, February 20, 2006, 482 SCRA 673, 686.

^[42] Emphasis supplied.

^[43] *Civil Service Commission v. Yu*, G.R. No. 189041, July 31, 2012, 678 SCRA 39, 48, citing Section 2 of the Local Government Code of 1991.

^[44] *Tondo Medical Center Employees Association v. Court of Appeals*, G.R. No. 167324, July 17, 2007, 527 SCRA 746, 766-770.

^[45] G.R. No. 167324, July 17, 2007, 527 SCRA 746.

^[46] *Redirecting the Functions and Operations of the Department of Health* (1999).

^[47] G.R. No. 167324, July 17, 2007, 527 SCRA 746, 766-770.

^[48] *Id.* at 770.

^[49] G.R. No. 160093, July 31, 2007, 528 SCRA 673.

^[50] *Pimentel, Jr. v. Ochoa*, G.R. No. 195770, July 17, 2012, 676 SCRA 551, 558-559; THE LOCAL GOVERNMENT CODE OF 1991, Sec. 2.

^[51] CONSTITUTION, Art. VII, Sec. 17.

^[52] *Executive Secretary v. Southwing Heavy Industries, Inc.*, G.R. No. 164171, February 20, 2006, 482 SCRA 673, 692, citing *Coconut Oil Refiners Association, Inc. v. Torres*, G.R. No. 132527, July 29, 2005, 465 SCRA 47, 62-63.

^[53] *Executive Secretary v. Southwing Heavy Industries, Inc.*, *supra* at 698.

^[54] *Civil Service Commission v. Cortes*, G.R. No. 200103, April 23, 2014, 723 SCRA 609, 614.

^[55] Underscoring supplied.

^[56] Underscoring supplied.

^[57] *Pimentel, Jr. v. Aguirre*, G.R. No. 132988, July 19, 2000, 336 SCRA 201, 216.

^[58] *Disomangcop v. Datumanong*, G.R. No. 149848, November 25, 2004, 444 SCRA 203, 233.

^[59] *League of Provinces of the Philippines v. Department of Environment and Natural Resources*, G.R. No. 175368, April 11, 2013, 696 SCRA 190, 212.

^[60] *Tano v. Socrates*, G.R. No. 110249, August 21, 1997, 278 SCRA 154, 180-181.

^[61] *Rollo*, pp. 383-387.

The Chairman: x x x

We go to the next. Date of Effectivity. This Code shall take effect on January 1, 1992. Transfer of responsibility for the delivery of basic services of facilities to all the LGU[]s shall be completed six (6) months after the effectivity of this Code. Certain functions of national agencies and offices shall be devolved to local government units within six (6) months, after the effectivity of this Code. Ito bang nakalagay ngayon? In other words, maski na ang inilagay natin January 1st ang effectivity, actually mayruon pang six (6) months period na hihintayin. Six plus six. Why don't six we...

HON. P. GARCIA: In effect it will be one year?

THE CHAIRMAN: Ito'ng date of effectivity, eh. Ito ang highlights ng agreement natin with the Senate so far. Ang nakalagay dito sa date of effectivity, page 2 on your paper, page 2, No. 2. This Code shall take effect January 1, 1992, maliwanag yan. However the second paragraph meron ditong "transfer of responsibility for the delivery of basic services of facilities to all LGU[]s shall be completed six (6) months after the effectivity of this Code." That means to say July, 1992.

HON. P. GARCIA: I think this is an error.

THE CHAIRMAN: Ha? And then after, that certain functions of national agencies and offices shall be devolved to local government within six (6) months after the effectivity. Another six (6) months.

HON. DE PEDRO: No. no, that's not...

HON. P. GARCIA: Mr. Chairman, I pointed this out the last time we met, that the Code cannot have two effective dates.

THE CHAIRMAN: It's simultaneous, the way I see it.

HON. DE PEDRO: Eh, itong second, yung third paragraph d'yan, actually alternative ito dito sa second, parehong ibig sabihin n'yan eh. Transfer of responsibility for the delivery of basic services at saka yung certain functions of national agencies shall be devolved[,] parehong devolution yan eh.

CHAIRMAN: So what [you're] saying in effect... Teka muna, just a minute. Let me just clarify this. What Larry is saying, that paragraph 2 and paragraph 3 of N[o]. 2 are the same, they're in the alternative. Now, but be that as it may, it means that the Code does not really take effect on January 1st.

HON. DE PEDRO: It takes effect.

THE CHAIRMAN[:] On January 1st, but after January 1st you have to count six (6) months before the devolution of powers.

HON. DE PEDRO: In fact the devolution can take effect January 2, kaya lang completely six (6) months...

HON LAGUDA: This is a maximum time limit...

HON. DE PEDRO: Completion...

HON. LAGUDA: ...that we are giving.

THE CHAIRMAN: The completion shall be done in six (6) months.

THE CHAIRMAN: Yeah, this is within, oh, that makes sense now. It's not after. Now regarding that point, I know what's at the back of your mind, because personally, if you ask me, I wanted this Code to be effective in 1993, no, January 1st, 1993, because by that time all the local officials.... x x x

HON. DE PEDRO: Mr. Chairman, the Senate understands that the effectivity date is January 1, 1992.

THE CHAIRMAN: Yeah.

HON. DE PEDRO: And that's how they understand.

THE CHAIRMAN: Yeah.

HON. DE PEDRO: And that they understand it was being final by both panels.

THE CHAIRMAN: Yeah, precisely. Yeah, I just want to brief the members of the House Panel that we have to agree on that, we must be united behind that, and if this matter is brought to the floor for approval, let us not vacillate anymore, despite our personal opinions, no. Let's be united in this. Let's not waver for one bit. x x x

THE CHAIRMAN: What is the difference between the two paragraphs?

HON. P. GARCIA: Yeah. In the first paragraph, the transfer should be completed six (6) months after the effectivity of this Code. In other words, within six (6) months.

THE CHAIRMAN: Yes, correct.

x x x

HON. DE PEDRO: Kung alin ang subject matter of devolution.

THE CHAIRMAN: Certain functions of national agencies and offices shall be devolved to Local Government Unit six (6) months after the effectivity of this Code.[.] So generally within. But what are these functions that will take effect after six (6) months Larry, can we specify them?

HON. DE PEDRO: The same functions for the delivery of basic services....

HON. DE PEDRO: ...basic services for facilities referred to in the other paragraph. THE CHAIRMAN: Exactly the same.

HON. DE PEDRO: The same. Pinagsama natin yung basic services at saka yong devolved functions, pinagsama na yan, eh.

THE CHAIRMAN: What's the point of Congressman Garcia, Pabling, why is there a whale of difference between the two?

HON. GARCIA: There is a difference because devolution of functions would mean transfer the very basic services. And under the first paragraph, this has to be completed six (6) months after[.]. In other words, the delivery must be within six (6) months after the effectivity, otherwise, you could not complete within six (6) if you do not start the process of delivery. Whereas, in the second paragraph, it say[s] here that the certain functions of

national agencies and offices shall be devolved to local government units six (6) months after the effectivity of this order. Shall be devolved, it is pure juristic in sense and the point of devolution is six (6) months after.

HON. DE PEDRO: Now, we have to make a decision, Mr. Chairman, which version should we adopt. Because our understanding, that once the code takes effect, devolution shall also take effect. So, what's the use of having a code effective January 1 when the devolution is not there.

HON. GARCIA: One question, I wanted this clarified. Who sets the pace of devolution, is it the national government or is it the LGU[s]?

THE CHAIRMAN: The LGU[s] themselves.

HON. DE PEDRO: Both Houses are provided for the creation of an Oversight Committee or the Ad Hoc Committees which would take charge of the devolution process.

HON. GARCIA: So actually, it is not the LGU[s], neither is it the national government, but this Ad Hoc Committee.

THE CHAIRMAN: Yes.

x x x

^[62] Local Government Code of 1991.

Sec. 533. *Formulation of Implementing Rules and Regulations.* -

(a) Within one (1) month after the approval of this Code, the President shall convene the Oversight Committee as herein provided for. The said Committee shall formulate and issue the appropriate rules and regulations necessary for the efficient and effective implementation of any and all provisions of this Code, thereby ensuring compliance with the principles of Local autonomy as defined under the Constitution.

(b) The Committee shall be composed of the following:

(1) The Executive Secretary, who shall be the Chairman;

(2) Three (3) members of the Senate to be appointed by the President of the Senate, to

include the Chairman of the Committee on Local Government;

(3) Three (3) members of the House of Representatives to be appointed by the Speaker, to include the Chairman of the Committee on Local Government;

(4) The Cabinet, represented by the following:

(i) Secretary of the Interior and Local Government;

(ii) Secretary of Finance;

(iii) Secretary of Budget and Management; and

(5) One (1) representative from each of the following:

(i) The League of Provinces;

(ii) The League of Cities;

(iii) The League of Municipalities; and

(iv) The Liga ng mga Barangay.

x x x

^[63] Prescribing the Implementing Rules and Regulations of the Local Government Code of 1991.

^[64] *Rollo*, pp. 50-51. Emphasis omitted.

^[65] *Executive Secretary v. Southwing Heavy Industries, Inc.*, G.R. No. 164171, February 20, 2006, 482 SCRA 673, 699.

^[66] *Secretary of the Department of Transportation and Communications v. Mabalot*, G.R. No. 138200, February 27, 2002, 378 SCRA 128, 140.

^[67] *Tondo Medical Center Employees Association v. Court of Appeals*, *supra* note 45 at 773.

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