

Title: Transocean Ship Management (Phils.), Inc. et al. vs. Inocencio B. Vedad

****Facts:****

1. ****Employment Contract & Deployment:**** Inocencio B. Vedad was employed as a second engineer by Transocean Ship Management (Phils.), Inc., for its principal, General Marine Services Corporation, under a 10-month contract beginning June 1, 2005. He boarded the M/V Invicta after a pre-employment medical examination (PEME) indicated he was in good health.
2. ****Falling Ill Onboard:**** On February 3, 2006, Vedad experienced fever, sore throat, and pain in his right ear while onboard. He was examined in Port Louis, Mauritius, and diagnosed with chronic suppurative otitis media (CSOM) in his right ear and acute pharyngitis.
3. ****Follow-up Examination and Repatriation:**** A follow-up examination on February 16, 2006, in Indonesia recommended his repatriation for further medical evaluation. He was repatriated on February 19, 2006.
4. ****Medical Treatment and Diagnosis:**** In Manila, Vedad was examined by the company-designated doctor, Dr. Nicomedes G. Cruz, and underwent a tonsillectomy on May 10, 2006. A subsequent histopathological report revealed undifferentiated carcinoma (cancer) of the right tonsil.
5. ****Failure to Continue Treatment:**** Although Transocean and General Marine promised to shoulder the chemotherapy costs estimated at PHP 500,000, the necessary amount was not provided, prompting Vedad to file a labor complaint.
6. ****Labor Arbiter's Decision:**** The Labor Arbiter awarded Vedad USD 60,000 as permanent total disability benefits plus 10% attorney's fees. The employment contract presumption under Section 20 of the POEA-SEC considered his cancer as work-related.
7. ****NLRC's Decision:**** Upon appeal, the NLRC vacated the Labor Arbiter's decision, holding that Vedad's cancer was not work-related per the company-designated physician's certification. It awarded Vedad a sickness allowance and reimbursement of medical expenses only.
8. ****CA's Decision:**** Both parties appealed to the Court of Appeals (CA), which modified the NLRC's decision, setting aside the award for sickness allowance but affirming the reimbursement of medical expenses.

****Issues:****

1. ****Sickness Allowance Entitlement:**** Whether Vedad is entitled to sickness allowance despite his illness being later deemed not work-related.
2. ****Permanent Total Disability Benefits:**** Whether Vedad's cancer is work-related, thus

entitling him to permanent total disability benefits.

3. **Reimbursement of Medical Expenses:** Whether Transocean and General Marine must pay or reimburse Vedad's medical expenses.

Court's Decision:

1. **Sickness Allowance Entitlement:**

- The Supreme Court held that Vedad is entitled to sickness allowance as he fell ill and was repatriated for medical reasons during his contract. Under Section 20(B) of the POEA-SEC, he is entitled to receive sickness allowance for up to 120 days, regardless of the eventual finding of non-work-relatedness of his illness. The approval and later withdrawal of Transocean and General Marine's payment obligation do not affect this entitlement.

2. **Permanent Total Disability Benefits:**

- The Court upheld the NLRC and the CA findings that Vedad's cancer was not work-related, based on the certification by the company-designated physician. Vedad failed to seek a second medical opinion or provide substantial evidence countering the assessment. Consequently, he was not entitled to permanent total disability benefits.

3. **Reimbursement of Medical Expenses:**

- The Court affirmed the NLRC and the CA's ruling that Transocean and General Marine must honor their promise and reimburse Vedad's medical expenses. They were ordered to reimburse PHP 500,000 and actual expenses incurred by Vedad, plus legal interest from June 15, 2006, until full payment.

Doctrine:

1. **Sickness Allowance Provision:** Under Section 20(B) of the POEA-SEC, a repatriated seafarer due to illness is entitled to sickness allowance up to 120 days pending the company-designated physician's final assessment.

2. **Medical Assessment and Work-Relatedness:** If an ailment is not listed as an occupational disease, the burden of proof to show work-relatedness lies with the seafarer. Failure to seek a second opinion or contest a company-designated physician's finding with substantial evidence precludes entitlement to disability benefits.

Class Notes:

1. **Elements of Sickness Benefits under POEA-SEC:**

- Illness or injury manifesting during employment.
- Medical repatriation due to the illness.
- Entitlement period not exceeding 120 days, pending assessment of work-relatedness.
- Citation: Section 20, POEA-SEC.

2. **Burden of Proof for Work-Related Illnesses:**

- Proof burden lies with the seafarer if the illness is not classified as an occupational disease.
- Need for substantial evidence or second medical opinion for contesting non-work-relatedness assessments.

Historical Background:

This case underscores the application and interpretation of the POEA-SEC's provisions regarding seafarers' rights and obligations, especially concerning illnesses deemed non-work-related. The case emphasizes the importance of clear procedural steps for seafarers to secure benefits and the necessity for employers to honor medical treatment commitments. It provides context to how legal standards are set and adjusted to protect overseas Filipino workers' welfare, reinforcing social justice in labor law.