

**\*\*Title:\*\***

Jose B. Sarmiento vs. Employees' Compensation Commission & Government Service Insurance System (National Power Corporation), G.R. No. 244 Phil. 323, August 25, 1983

**\*\*Facts:\*\***

1. **\*\*Employment and Medical History\*\***:

- Flordeliza Sarmiento was employed by the National Power Corporation as an accounting clerk in 1974 and later became the manager of the budget division.
- In April 1980, she developed a small wound over the external auditory canal and a mass over the mastoid region, which were later diagnosed as "differentiated squamous cell carcinoma" (a type of cancer).
- She sought treatment at several hospitals, including Veterans Memorial Hospital, United Doctors Medical Hospital, and Makati Medical Center, undergoing multiple treatments for her illness.
- By March 1981, her condition worsened, manifesting as a soft tissue mass on her left upper cheek, deforming her lips and preventing her from closing her left eye. Subsequent treatments continued until her last hospitalization at Capitol Medical Center in July 1981.
- On August 12, 1981, at the age of 40, Flordeliza Sarmiento died from cardiorespiratory arrest due to parotid carcinoma.

2. **\*\*Claims and Denials\*\***:

- Believing that Flordeliza's illness was service-connected, her surviving spouse, Jose B. Sarmiento, filed for death benefits under Presidential Decree No. 626.
- On September 9, 1982, the Government Service Insurance System (GSIS) denied the claim, arguing that parotid carcinoma was not caused by employment conditions.
- Dissatisfied, Jose Sarmiento requested the Employees' Compensation Commission (ECC) to review the GSIS decision. On August 25, 1983, the ECC affirmed the GSIS denial.

3. **\*\*Appeal to the Supreme Court\*\***:

- Remaining dissatisfied, Jose Sarmiento brought the matter to the Supreme Court via a petition for review, arguing the compensability of his wife's illness and challenging the constitutionality of Presidential Decree No. 626.

**\*\*Issues:\*\***

1. **\*\*Constitutionality of Presidential Decree No. 626\*\***:

- Did Presidential Decree No. 626 infringe upon the constitutional guarantees of social justice, substantive due process, and equal protection of laws?

- Did the Decree permit unjust discrimination and amount to class legislation?

2. **Compensability of the Illness**:

- Was the parotid carcinoma suffered by Flordeliza Sarmiento compensable under Presidential Decree No. 626?

3. **Burden of Proof for Non-Occupational Disease**:

- Did the petitioner provide sufficient proof that his wife's working conditions caused or increased the risk of contracting parotid carcinoma?

**Court's Decision:**

1. **On Constitutionality:**

- The Supreme Court dismissed the attack on the constitutionality of Presidential Decree No. 626. It held that the new law restored a balance between employer obligations and employee rights and did not infringe on constitutional rights.

- The Court explained the advantages of the new system, including prompt payment of benefits, low administrative costs, and a state insurance fund managed by the ECC.

2. **On Compensability of Illness:**

- The Court affirmed that parotid carcinoma was not listed as an occupational disease nor proved to be caused by Flordeliza's employment. Without being classified as an occupational disease or without evidence of causation by work, her illness was not compensable under this law.

3. **On Burden of Proof:**

- The petitioner failed to provide sufficient evidence that the working conditions either caused or increased the risk of contracting the parotid carcinoma.

- Allegations that field trips and plane travels caused deafening and numb sensations in Flordeliza's ears were deemed conjectural and lacked convincing medical evidence.

**Doctrine:**

- The Supreme Court reiterated that under Presidential Decree No. 626, compensable illnesses are either listed occupational diseases or illnesses caused by employment wherein the risk is increased by working conditions. The burden of proof lies on the claimant to establish this causation or risk increase.

**Class Notes:**

- **Key Elements/Concepts:**

- State Insurance Fund
- Occupational Disease
- Burden of Proof
- Presumption of Compensability
  
- **Relevant Statutes and Provisions:**
- **Presidential Decree No. 626:** Defines the conditions for compensable illnesses and outlines the state insurance fund framework.
- **Jurisprudence:**
  - Sulit v. Employees' Compensation Commission
  - Armena v. Employees' Compensation Commission
  - Erese v. Employees' Compensation Commission
  - De Jesus v. Employees' Compensation Commission
  
- **Application in Context:**
- For an illness to be compensable, it must either be occupational or proven to be work-induced.
- The presumption of compensability under previous laws is no longer applicable, shifting the burden of proof onto the claimant.
  
- **Historical Background:**
- The case arises under the scheme introduced by Presidential Decree No. 626 which replaced the Workmen's Compensation Act. This was part of the broader context of labor law reform aimed at addressing inefficiencies in the compensation process and promoting social justice by distributing the risks and costs of employment-related illnesses and accidents more equitably. This new law emphasized prompt benefit payments and minimized adversarial disputes between employer and employee.