

SONIA VILLONES, PETITIONER, VS. EMPLOYEES' COMPENSATION COMMISSION AND GOVERNMENT SERVICE INSURANCE SYSTEM, RESPONDENTS.

G.R. No. L-44031. August 26, 1982

Ponente: MAKASIAR, J.

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MAKASIAR, J.:

For consideration are (1) respondent Employees' Compensation Commission's [ECC] motion for reconsideration/clarification filed on June 27, 1980 by the Solicitor General, praying that Our February 14, 1980 decision be modified or clarified by relieving the State Insurance Fund [GSIS] from payment of compensation benefits to petitioner and judging petitioner's employer, Silay General Hospital, Silay City, instead, as solely liable therefor, the cause of action with respect to the claim having accrued under the Workmen's Compensation Act; and (2) respondent Government Service Insurance System's [GSIS] motion for reconsideration filed on May 5, 1980, contending that: a) the ECC and the GSIS have no jurisdiction over compensation claims of workers which arose prior to the present law; b) petitioner's employer should pay her claim; c) the GSIS should have a right of reimbursement against the employer in the event that GSIS is finally held liable to pay petitioner's claim; d) the GSIS is not liable to pay administrative costs; and e) that if there is any award at all to the petitioner, the award should be on the basis of the present law on employees' compensation under which law petitioner's ailment is not compensable, and praying that the February 14, 1980 decision be reconsidered and set aside and that the petition be denied for lack of merit or, in the alternative, that petitioner's employer be held liable to pay the claim or that the State Insurance Fund be given the right of reimbursement from petitioner's employer (pp. 140-141, rec.).

The foregoing issues resulted from the favorable application by this Court of the provisions of the previous compensation law, pursuant to the vested right principle first enunciated in the Corales case (84 SCRA 762; 88 SCRA 547) to the claim of petitioner which was adversely resolved by the respondents GSIS and ECC under the provisions of the New Labor Code. As ruled in this case, applying the said Corales doctrine, "in affirming the decision of the GSIS which dismissed petitioner's claim, the respondent Employees' Compensation Commission committed an error. Respondent ECC's ruling is not correct for under present jurisprudence as enunciated in Corales vs. Employees' Compensation Commission (L-44063, February 27, 1979, 88 SCRA 547) that where the injury or illness accrued prior to January 1, 1975, the same shall be decided under the Workmen's Compensation Act, not under the new Labor Code and that the Employees' Compensation Commission is duty-bound to apply the provisions of the Workmen's Compensation Act with respect to claims accruing as in the present case prior to the New Labor Code, as successor to the defunct Workmen's Compensation Commission." Furthermore, "as the record shows, petitioner began suffering from functional bleeding from October, 1974 to July, 1975 as stated in the 'Report of Injury/Sickness/Death' signed by Dr. Rogelio B. Cuevas, Chief of the Silay General Hospital. Hence, petitioner's claim for illness compensation accrued in October, 1974. Article 292 of the New Labor Code which requires that workmen's compensation claims accruing prior to the New Labor Code shall be filed with the

appropriate regional offices of the Department of Labor not later than March 31, 1975, otherwise they shall forever be barred, does not apply to petitioner who filed her claim on July 24, 1975 with the GSIS; because the Supreme Court has held repeatedly in a long line of decisions that the prescriptive period for claims which accrued under the Workmen's Compensation Act, as amended, is ten years, it being a right founded on statute. Petitioner's right accrued as early as October, 1974 and, therefore, is a vested right." Accordingly, respondent Government Service Insurance System was ordered to: 1) pay the petitioner compensation in the amount of Six Thousand Pesos [P6,000.00], the maximum amount fixed by law pursuant to Section 18 of the Act; 2) reimburse petitioner her expenses for medical, surgical, nursing and hospital services, including medicines and drugs in the total amount of Three Thousand Six Hundred Fourteen Pesos and Fifteen Centavos [P3,614.15]; and 3) pay the administrative costs.

The issues presented by the respondents in their motions are substantially similar to those presented by them in the cases of Corales (G.R. No. L-44063) Felixberto Villones (G.R. No. L-46200), Cañeja (G.R. No. L-46992) and Barga (G.R. No. L-49227) and which We have already jointly resolved on March 15, 1982.

Relevant to the first and last grounds presented by respondent GSIS in this case, We declared in the aforesaid Corales and related cases, that with respect to the points of clarification on the legal implications of the application by this Honorable Court of the ten-year prescriptive period on claims filed under similar circumstances in relation to the provision on pre-scription of the New Labor Code requiring all workmen's compensation claims accruing prior to January 1, 1975 to be filed not later than March 31, 1975, otherwise they shall be forever barred; and the legal basis for the Employees' Compensation Commission to assume jurisdiction over and apply the provisions of the repealed Workmen's Compensation Act to compensation cases involving causes of action accruing prior to January 1, 1975, the subject points of clarification sought are clear from Our ruling that the vested right of claimants, whose causes of action accrued before the regime of the new compensation scheme, over the more compassionate and favorable provisions of the previous compensation statute, including the right to file their claims during the ten-year prescriptive period, should be recognized and respected.

Consequently, The GSIS and the ECC have jurisdiction over claims the causes of action of which arose during the effectivity of the old workmen's compensation law which must be resolved by them on the basis thereof.

As already delineated, the petitioners, whose causes of action accrued during the effectivity of the old compensation law and continued even after its repeal unto the regime of the new compensation law, filed their respective claims for compensation only after the deadline set forth under the new law; but which deadline was ruled by this Court in Corales as not barring the claims of the petitioners as filed with the GSIS which under the law is mandated to take cognizance of compensation claims of government employees, the defunct Workmen's Compensation Commission and its regional branches being then in the process of folding up.

WE further noted in the aforesaid decided cases that the framers of the new compensation law in fixing the March 31, 1975 deadline of filing claims accruing during the effectivity of the old compensation law with the regional offices (WCC) of the Department of Labor, overlooked the vested rights of claimants to file their claims within the ten-year prescriptive period recognized under the previous compensation law and jurisprudence. WE concluded that to sustain the stand of the respondent ECC would result in a situation where therein claimants and others similarly situated, like herein claimant Villones, would merely have bare rights without any forum to enforce the same. WE emphasized that a vested right rooted in a social legislation enacted pursuant to the social justice provision of the supreme law of the land may not be rendered worthless by a literal construction of the provisions of the New Labor Code which would thus inflict upon herein claimant and others equally situated the harshness of the arbitrary and constricted time limitation set forth in its article 292. WE finally declared that such

construction should not prevail over the aforesaid vested rights of claimants on the provisions of the Workmen's Compensation Act, as long as this Court exists and functions, mindful always of its vital role as guardian and instrument of social justice, stressing however that the President-Prime Minister in promulgating the New Labor Code, did not deliberately intend to inflict such injustice on claimant employees and thereby deny them the social to justice guaranteed by the Constitution he swore to uphold and defend.

It is manifest therefore that the stand of respondent GSIS in its May 5, 1980 motion for recon-sideration that it has no jurisdiction over compen-sation claims of workers that arose prior to the present compensation law, is without merit, and furthermore is repugnant to the stand ultimately taken by it in the case of Barrameda vs. ECC (G.R. No. 50142, August 17, 1981) as stated in its April 25, 1979 comment and September 18, 1979 motion filed there-in, when it made a volte face on its former position, this time admitting the validity of petitioner's claim, thus recognizing its jurisdiction over claims arising prior to the new employee compensation scheme. The respondent GSIS comment in that case reads:

"At the outset, the GSIS re-spectfully manifests that, after an assiduous study of the law and current jurisprudence, and in the interest of justice and the compassionate objectives of the New Society, petitioner's employees' compensation claim is valid and should be paid.

"In a nutshell, this is a claim for employees' compensation, filed by a former PNB branch manager who contracted lung tumor on June 1, 1974 and retired by reason of disability on March 8, 1976.

"Going by Corales vs. Employees' Compensation Commission (en banc resolution), L-44063, February 27, 1979, cited by petitioner, the cause of action in this case accrued as early as June 1, 1974. Hence, applicable are the provisions of the old Workmen's Compensation Act, not the provisions of the New Labor Code, which became effective only on January 1, 1975, as well as the well-entrenched and oft-reiterated doctrines thereunder presumptions of compensability and disability retirement, the principles of aggravation and non-controversion, and the liberal construction in favor of the working man of socio-labor legislation.

"In Corales, supra, this Honorable Court emphasized that Article 292 of the New Labor Code, which requires that workmen's compensation claims accruing prior to the New Labor Code shall be filed with the appropriate regional offices of the Department of Labor not later than March 31, 1975, or they shall forever be barred, does not apply to petitioner therein who filed his claim on August 4, 1975 with the GSIS because the prescrip-tive period for claims which accrued under the Workmen's Compensation Act, as amended, is ten (10) years, it being a right founded on statute and petitioner has a vested right which cannot be impaired by the repealing Labor Code.

"Here, the present claim was filed with the GSIS on December 14, 1977 or within the ten-year prescriptive period counted from accrual of the cause of action on June 1, 1974 xx xx."

Respondent GSIS deserves commendation for its 1979 stand in the Barrameda case, supra, and for its adherence to Our decision in the Corales case.

With respect to the second and third grounds raised by respondent GSIS and the grounds raised by respondent ECC, the same have been likewise resolved in the aforesaid Corales case and companion cases, where We ruled that the obligation of the GSIS to pay claimants their compensation benefits is without prejudice to its right to reimbursement from their respective employers, after due hearing. Thus:

"xx x the stand of the re-spondent ECC is that the respec-tive employers of the petitioners are the ones liable to pay the awarded benefits in these compensation claims; respondent GSIS, however, is willing to pay the awarded compensation benefits on the condition that its right of reimbursement from the aforesaid employers of petitioners is recognized. xx xx

"Respondent ECC is silent on the said offer of respondent GSIS.

"Under the New Labor Code, it is the ECC which is empowered to initiate, rationalize and coordinate the policies of the employees' compensation program (Article 176[a]), while the general conduct of operations and management functions of the GSIS is vested in its chief executive officer, who shall be responsible for carrying out the policies of the Commission (Art. 176[c]). Under Article 177, the Commission approves rules and regulations governing the processing of claims and other settlement of disputes arising therefrom as prescribed by the System (paragraph c); and may perform such other acts as it may deem appropriate for the attainment of the purposes of the Commission and proper enforcement of the provisions of this Title (paragraph L). And Article 178 provides that all revenues collected by the System under this Title shall be deposited, invested, administered and disbursed in the same manner and under the same conditions, requirements and safeguards as provided by Republic Act Numbered Eleven Hundred Sixty-One, as amended, with regard to such other funds as are thereunder being paid to or collected by the SSS and GSIS, respectively: Provided, That the Commission, SSS and GSIS may disburse each year not more than twelve per cent (12%) of the contributions and investment earnings collected for operational expenses, including occupational health and safety programs, incidental to the carrying out of this Title.

"Respondent ECC's silence on the posture of respondent GSIS could be construed as acquiescence thereto.

"It must be noted that GSIS seeks to pursue its claims for reimbursement against the employers of petitioners before the respondent ECC which, according to respondent GSIS, may take cognizance thereof by ordering the respective employers of the petitioners to reimburse whatever payments may be made by the respondent GSIS to the petitioners, but only after the employers are afforded a hearing, in which they may plead any defense to defeat the right of reimbursement of respondent GSIS.

"Under the premises, respondent GSIS' offered solution merits OUR approval. The reimbursement aspect will not be tainted with arbitrariness as due process is assured by affording the respective employers of petitioners in these cases opportunity to be heard."

WE find merit in the contention of the GSIS that it should not be ordered to pay administrative fees.

WHEREFORE, THE GOVERNMENT SERVICE INSURANCE SYSTEM IS HEREBY DIRECTED TO PAY PETITIONER THE DECREED AWARD MINUS THE ADMINISTRATIVE FEES, WITHOUT PREJUDICE TO THE RIGHT OF THE GOVERNMENT SERVICE INSURANCE SYSTEM TO REIMBURSEMENT FROM THE EMPLOYER OF PETITIONER AFTER DUE HEARING.

Teehankee, (Chairman), Melencio-Herrera, Plana, Vasquez, Relova, and Gutierrez, Jr., JJ. concur.

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