

IRENEO ABELLERA, PETITIONER, VS. SECRETARY OF LABOR AND PHILIPPINE NATIONAL RAILWAYS, RESPONDENTS.

G.R. No. L-45745. August 29, 1988

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

From an adverse decision of the Secretary of Labor dismissing the petitioner's claim for reimbursement of medical expenses, the petitioner filed the instant petition for review on certiorari.

Petitioner Ireneo Q. Abellera was employed by the respondent Philippine National Railways on January 2, 1939 as conductor of the Benguet Auto Line. He was later promoted to traffic inspector.

During the course of his employment, he was afflicted with ulcer and hypertension. When his ailments became worse, he was confined and treated at the Philippine National Railways Hospital from November 26, 1970 to January 7, 1971 and at the Baguio General Hospital from February 2 to 5, 1971. On May 31, 1971, he stopped working and he retired from the service of the respondent company on June 1, 1971 under the provisions of Republic Act No. 4968.

Thereafter, he filed with the Workmen's Compensation Section of the Department of Labor, Sub-Regional Office in Baguio, a claim for compensation benefits. After hearing, the Workmen's Compensation Chief rendered on December 18, 1972 a decision with the following dispositive portion:

"WHEREFORE, Judgment is for the claimant and against the respondent and is hereby ordered:

1)

To pay to Ireneo Q. Abellera, thru this Office, the amount of THREE THOUSAND NINE HUNDRED SIXTY FOUR PESOS and 64/100 (P3,964.64), as compensation benefit and to pay the claimant a weekly compensation of P48.69, from December 23, 1972 up to the time his physical incapacity for labor ceases but not to exceed the period of 208 weeks from May 31, 1971;

2)

To pay to Ireneo Q. Abellera, the amount of THREE HUNDRED EIGHTY PESOS and 52/100 (P380.52), which he spent for his medical expenses from June 1, 1971 up to the present and to provide the claimant such services, appliances and supplies as the nature of his disability and the process of his recovery may require and that which will promote his early restoration to the maximum level of his physical capacity;

3)

To pay to Atty. Guillermo B. Bandonill of Baguio City, the amount of ONE HUNDRED NINETY EIGHT

(P198.23), PESOS and 23/100, as attorney's fees; and

4)

To pay to this Office the amount of FORTY PESOS P. (P40.00), as Administrative Costs, pursuant to Section 55 of the Act.

SO ORDERED."

(Original Record, pp. 234-235).

The respondent company appealed the decision to the Workmen's Compensation Commission. However, it later filed a motion to withdraw its petition for review and the decision, consequently, became final.

In September, 1973, the petitioner fully received the disability benefit due him including the reimbursement of medical expenses he incurred from 1971 to 1972.

On December 10, 1975, the petitioner wrote to the Chief of the Workmen's Compensation Section asking for reimbursement of the sum of P7,748.47 which he spent for treatment at the Bethany Hospital, San Fernando, La Union from September 15, 1975 up to December 7, 1975. Pursuant to the implementing rules of Presidential Decree No. 954, the records of the case were forwarded to the Office of the Secretary of Labor.

Applying Section 4, Rule IV of the Implementing Rules of PD 954, the Secretary of Labor held that -

"Under this rule, the right of a sick workman to medical benefits is limited to 208 weeks or to the period covered by the maximum compensation of P6,000.00 whichever comes first. Which means that if claimant, as in this case, was already paid the maximum compensation of P6,000.00, said amount shall be divided by the weekly compensation to which he is entitled to determine the number of weeks for which medical reimbursement may be claimed, reckoned from the date disability has commenced.

"Applying this provision to the case at bar, the claimant whose weekly compensation was P48.69 must have reached or exhausted the maximum compensation of P6,000.00 in 120 weeks, a period covering May 31, 1971 (first day of disability) to September 20, 1974. In other words, only those expenses for medication incurred from May 31, 1971 to September 20, 1974 are reimbursable. Expenses beyond this period are for the account of the claimant.

"An examination of the receipts presented by the claimant reveals, that the expenses sought to be reimbursed were all incurred in 1975, far beyond the time limit set by the aforecited rule. Hence, not reimbursable."
(Original Record, p. 223)

The petitioner now questions the correctness of the abovequoted decision. He alleges that his claim is based on the decision of the Workmen's Compensation Chief dated December 18, 1972 which was based on Section 14 of Act No. 3428 as amended by RA No. 4119 and which had no limitation as to the number of weeks the reimbursement of medical expenses may be allowed. He further alleged that the application of Section 4, Rule IV of the Implementing Rules of P.D. 954 is "illegal" and it contravenes his vested right to reimbursement given under a judgment which had long become final.

We find reversible error in the denial of petitioner's claim. The application to this case of Sec. 4, Rule IV of the Implementing Rules of PD 954 which set a limit on reimbursable medical expenses is incorrect.

P.D. 626, which amended Title II of Book IV on Employees' Compensation and State Insurance Fund of the Labor Code, took effect on January 1, 1975. On December 31, 1975, however, P.D. 865-A extended the

effectivity of the abolished workmen's compensation program until March 31, 1976.

Meanwhile, on July 6, 1976, P.D. 954 was promulgated. It designated the office of the Secretary of Labor as the transitional machinery which shall dispose of workmen's compensation cases pending as of March 31, 1976 with the Workmen's Compensation Commission, the Bureau of Workmen's Compensation and the Workmen's Compensation Units which were abolished by P.D. 626. Under Section 2 of the said law, it is provided that "(A)ll workmen's compensation cases pending before and duly docketed by the Workmen's Compensation Units in the Regional Offices of the Department of Labor and those pending before and duly docketed by the Workmen's Compensation Commission as of March 31, 1976, shall be processed and adjudicated in accordance with the law, rules and procedure existing at the time their cause of action occurred."

The petitioner was hospitalized from September 15, 1975 to December 7, 1975. His claim for reimbursement of medical expenses was filed on December 10, 1975, within the coverage of the abovequoted provision of law. Applying the Workmen's Compensation Act which was the law effective during December, 1975, we rule that the petitioner may still be paid medical reimbursements.

Does it follow, however, that such right continues indefinitely into the future?

Under the old law, compensation benefits differ from medical and hospital services and supplies. It may be noted that under the old law, Section 13 of the Workmen's Compensation Act, the employer's obligation to provide these services subsists until the illness is cured or arrested, as long as the illness was contracted during the employee's employment (*Hernandez v. Workmen's Compensation Commission*, 14 SCRA 219). The law imposed on the employer the obligation to "provide the employee with such medical, surgical and hospital services and supplies as the nature of the injury or sickness may require." The implication is that such medical expenses as may be necessary until the work-connected injury or sickness ceases, may be charged against the employer (*Cebu Portland Cement Co. v. Workmen's Compensation Commission*, 10 SCRA 420). This obligation subsisted even if the petitioner is no longer in the employ of the respondent because Section 13 does not require the existence of an employer-employee relationship as a condition for the employer's liability (*Itogon-Suyoc Mines, Inc. v. Isip*, 9 SCRA 199).

We, however, reiterate that this law has been superseded by a new scheme. The compensation scheme in the Labor Code was enacted in the belief that it better complies with the mandate on social justice and is more advantageous to the greater number of working men and women (*Jose V. Sarmiento v. Employees' Compensation Commission, et al.*, G.R. No. 65680, May 11, 1988). Certain concepts were discarded in order to restore what the law believes is a sensible equilibrium between the employer's obligation to pay workmen's compensation and the employees' rights to receive reparation for work-connected death or disability (See *Sulit v. Employees' Compensation Commission*, 98 SCRA 483; *Armena v. Employees' Compensation Commission*, 122 SCRA 851; *Erese v. Employees' Compensation Commission*, 138 SCRA 192). The new scheme of employees' compensation establishes a state insurance fund built up by the contributions of employers based on the salaries of their employees and applies the social security principle in the handling of workmen's compensation. The open ended Table of Occupational Diseases requires no proof of causation. A covered claimant suffering from an occupational disease is automatically paid benefits (*De Jesus v. Employee's Compensation Commission*, 142 SCRA 92). More relevant to this case, the new law provides that "(I)mmediately after an employee contracts sickness or sustains an injury, he shall be provided by the System during the subsequent period of his disability with such medical services and appliances as the nature of his sickness or injury and progress of his recovery may require, subject to the expense limitation prescribed by the Commission." (Art. 185, Labor Code).

We hold that the present law now governs. No more claims may be filed by the petitioner under the former

Workmen's Compensation Act.

WHEREFORE, the decision appealed from is hereby REVERSED. The respondent Philippine National Railways is ordered to pay the petitioner the sum of SEVEN THOUSAND SEVEN HUNDRED FORTY-EIGHT PESOS and FORTY SEVEN CENTAVOS (P7,748.47) as reimbursement for medical expenses and the Department of Labor and Employment the amount of SEVENTY EIGHT (P78.00) PESOS as administrative costs.

SO ORDERED.

Fernan, C.J., Feliciano, Bidin, and Cortes, JJ., concur.

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