

ST. ANNE MEDICAL CENTER, PETITIONER, VS. HENRY M. PAREL, IN HIS CAPACITY AS REGIONAL DIRECTOR, DEPARTMENT OF LABOR & EMPLOYMENT, REGION VI, BACOLOD CITY, NEG. OCC., THE REGIONAL...

G.R. No. 78554. August 25, 1989

Ponente: SARMIENTO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-78554/>

SARMIENTO, J.:

Submitted for decision is this case, in the nature of challenges (inter alia) to the jurisdiction of the Regional Director of the Department of Labor and Employment to act on money claims.

The facts are stated in the order of the respondent, Regional Director Henry Parel, of Regional Office No. VI; Bacolod City, of the Labor Department:

This case stemmed from a complaint filed on February 9, 1987 by Raquel Hit, et al., against St. Anne Medical Center with postal address at Cadiz City, for the following causes of actions:

1. Underpayment of the basic minimum wage having paid only P10.00/day;
2. Underpayment of ECOLA having paid only P170.00 per month;
3. Non-payment of overtime pay in excess of 40 hours while working for 6 days a week;
4. Underpayment of 13th month pay under P.D. 851;
5. Underpayment of regular holiday, special holiday, rest day premium pay and underpayment of overtime pay; and
6. Non-payment of ECOLA during sick leave and maternity leave with pay.

On February 13, 1987, this Office conducted inspection on Labor Standards Laws and Occupational Safety and Health Standards. After inspection of the working conditions and careful examination and verification of the payrolls, the following violations were found and enumerated in the Notice of Inspection Results, to wit:

A. On Labor Standards Laws:

1. Underpayment of Minimum wage under Wage Order No. 3 from February 13, 1984 to April 30, 1984 which provides for a Minimum daily wage of P20.00/day or P523.33/month;
2. Underpayment of the daily minimum wage under Wage Order No. 4 covering the period from May 1, 1984 to June 15, 1984 which provides for a minimum daily wage of P27.00/day or P706.00/month;
3. Underpayment of the minimum daily wage under Wage Order No. 5 covering the period from June 16, 1984 to October 31, 1984 which provides for a minimum daily wage of P30.00/day or P785.00/month;
4. Underpayment of the minimum daily wage under Wage Order No. 6 covering the period from November 1,

1984 to February 13, 1987 which provides for a minimum daily wage of P32.00/day or P837.33/month;

5. Underpayment of ECOLA under Wage Order Nos. 1, 2 and 3 covering the period from February 13, 1984 to June 15, 1984 which provides for a daily allowance of P9.00/day or P235.50/month;

6. Underpayment of ECOLA under Wage Order No. 5 covering the period from June 16, 1984 to October 31, 1984 which provides for a daily allowance of P14.00/day or P366.33/month;

7. Underpayment of ECOLA under Wage Order No. 6 covering the period from November 1, 1984 to February 13, 1987 which provides for a daily allowance of P17.00/day or P444.83/month;

8. Non-payment of overtime pay for work rendered in excess of 40 hours a week under Section 7, Rule 1-A, Book 111 of the rules and regulations implementing the Labor Code having worked for 48 hours per week;

9. Underpayment of overtime pay, rest day and holiday pays from February 13, 1984 to February 13, 1987;

10. Underpayment of 13th month pay from 1984 to 1986; and

11. Underpayment of sick and vacation leaves with pay covering the same period.

B. On Occupational Safety and Health Standard:

1. Inadequate number of fire extinguishers;

2. Lack of fire-alarm system up to the 3rd floor of the hospital.

The management, thru Dr. Jose P. Fernandez, Medical Director and Administrator of the above-mentioned hospital, was instructed to effect restitution and/or correction within 10 days specified in the Notice of Inspection Results copy of which was furnished to him. Records show however that management failed to comply with the instruction. A subpoena Duces Tecum was issued directing the management to submit to this Office all employment records and payrolls to determine the extent of violations discovered. Again, management failed to comply notwithstanding the fact that they received the said Subpoena and their failure was unjustified. Incidentally, only xerox copies of the payrolls and daily time records for the months of April 1984, November 1985 and December 1986 were submitted prompting this Office to determine the extent of violations based on available data and complainants' interviews.

The extent of violations stood at THREE MILLION FIFTY-NINE THOUSAND AND EIGHT HUNDRED TWENTY-NINE and 57/100 PESOS (P3,059,829.57) representing the differential pay of the 127 employees on their wages, ECOLA, 13th month pay, holiday pay and overtime pay for work rendered in excess of 40 hours a week. Records as far as results of the interview also show that six (6) employees were found to be holding managerial positions and/or they were receiving salaries more than the minimum wage fixed by Law hence, should be excluded in the award.²

xxx xxx xxx

Amid these findings, Director Parel held as follows:

WHEREFORE, premises considered, it is hereby ordered that respondent, St. Anne Medical Center restitute to its 127 employees through this Office their differentials on wages, ECOLA, holiday pay, 13th month pay, and overtime pay on work rendered in excess of 40 hours per week the amount of THREE MILLION FIFTY NINE THOUSAND EIGHT HUNDRED TWENTY NINE and 57/100 PESOS (P3,059,829.57) within fifteen (15) days from receipt of this Order. Respondent is also ordered to effect corrections on the violations on Occupational Safety and Health Standards contained in the Notice of Inspection Results. Also, respondent is ordered to effect immediately and comply with the present minimum wage laws applicable to hospitals.

The six (6) employees who were found to be holding managerial positions and receiving wages above the

prescribed minimum basic wage are not included in the award as ordered.

SO ORDERED.³

Dr. Jose Fernandez, director of St. Anne Medical Center, then sought reconsideration, alleging that Director Parel erred in imposing the money award: (1) in the absence of notice and hearing; (2) that the said award was not supported by evidence; and (3) that there was pending with the National Labor Relations Commission an identical complaint filed by the complaining employees of the hospital. In denying reconsideration, Director Parel held that the hospital (that is, its owner) had been given ample opportunity "to effect restitution and rectify [the] violations"⁴ found against it. In the same order, he ordered the issuance of a writ of execution. Forthwith, Dr. Fernandez petitioned this Court. The petition, for certiorari and prohibition, was brought in the name of "St. Anne Medical Center", as petitioner, although it does not appear that it is a juridical entity.⁵ Under the Rules of Court, "[o]nly natural or juridical persons or entities authorized by law may be parties in a civil action."⁶ In view of the serious questions involved, though, and as will be seen hereafter, the Court bypasses technical distinctions in this case and impleads the planters' association, the real owner of the hospital and hence, the real party in interest, as the petitioner. Under the Rules likewise, "[p]arties may be ... added by order of the court ... on its own initiative at any stage of the action and on such terms as are just."⁷

In addition to the petitioners' fundamental objection that they were denied due process, the jurisdiction of the Regional Director of the Department of Labor and Employment, in this case, Director Parel, as stated earlier, to act on the money claims, is assailed in the petition.

In addition, it is held that the regional offices of the Department of Labor are charged alone with "mediation and conciliation" and, should the parties fail to agree, they must refer the case to the labor arbiters.

The fact alone that at the time Director Parel entered into the picture, the respondents-workers had earlier commenced identical proceedings in the National Labor Relations Commission, labor arbitration section, is enough to warrant the grant of this petition. (The complaint in the NLRC was filed on January 28, 1987,⁸ while the Regional Director received the Complaint on February 9, 1987.⁹) The rule in civil cases is that the acquisition of jurisdiction by a court of concurrent jurisdiction (assuming that the Regional Director exercises concurrent jurisdiction with the Labor Arbiter in view of the promulgation of Republic Act No. 6715, which took effect on March 19, 1989) divests another of its own jurisdiction. The same rule should apply to labor cases. On account hereof, we set aside the challenged order.

WHEREFORE, the petition is GRANTED. The order of Regional Director Henry Parel is SET ASIDE. The National Labor Relations Commission is INSTRUCTED to proceed with the case (Case No. 01-0068-87) without further delay.

SO ORDERED.

Melencio-Herrera, (Chairman), Paras, Padilla, and Regalado, JJ., concur.

* See *infra*, 6-7, as to "St. Anne Medical Center's" capacity to sue.

² G.R. No. 78554, rollo, 12-14.

³ *Id.*, 14.

⁴ *Id.*, 22.

⁵ It is simply described as a "medical institution". Rollo, *id.*, 2.

6 RULES OF COURT, Rule 3, sec. 1.

7 Supra, sec. 11. This petition does not name either the individual private respondents, except Raquel Hit, defending this case. In the complaint with the National Labor Relations Commission, the complainants, aside from Hit, are as follows: Rodolfo Aligam, Marlyn Felonia, Rustom Javier, Eleuterio Saducas, Ronnie Ventura, Lorna Umadhay, Leonita L. Balgoa, Myrna A. Locsin, Lani B. Sardia, Merlita M. Barrientos, Milagros Terencio, Pacita Castellano, Eleanor Alogon, Alfredo Canencia, Nelly Undar, Felimon Segovia, Pacifico Magtubo, Milagros Tigres, Emilia Mulleza, Remegio Flor, Isabelita Abuan, Rolly Lacson, Jelly Jayawon, Harley Ledesma, Gloria Ledesma, Clovis Bermeo, Vicente Esgrina, Mercy Jayawon, Deleilah Serfino, Helen M. Bermeo, Annabelle Dequinto, Mercedes Braza, Julieta Jocsin, Nerissa Parcon, Ellen Escanlar, Melanie Dupalsag, Bethel Erasmo, Flordelina Quiatchon, Sarah Pagliban, and Rose Morales. We presume that they are likewise the "private respondents" referred to in the petition (referred to therein as "other employees of St. Anne Medical Center") and consider them impleaded in this petition, in addition to Hit.

8 Rollo, id., 19.

9 Id., 12.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.