



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **09 December 2020** which reads as follows:*

“G.R. No. 200652 (*Government Service Insurance System v. Ma. Clara R. Calleja*). – This is an appeal from the June 30, 2011 Decision¹ and February 16, 2012 Resolution² issued by the Court of Appeals (*CA*), which reversed the decision of the Employees’ Compensation Commission (*ECC*) and ordered the Government Service Insurance System (*GSIS*) to grant respondent’s claim for death benefits under Presidential Decree No. 626 (*P.D. 626*).

Lorenzo B. Calleja (*Lorenzo*) was employed with the Municipality of Pamplona, Camarines Sur from January 1, 1987 until his death on March 15, 2007. He was Municipal Budget Officer, but was also required to perform the functions of the Human Resource Management Officer.³ His assistant took a rehabilitation leave from October 26, 2006 to January 12, 2007, which caused Lorenzo to carry out not only his own duties and responsibilities, but also those of his assistant.⁴

On February 7, 2007, Lorenzo was admitted to the Mother Seton Hospital. He was discharged on February 17, 2007 with the diagnosis of Acute Coronary Syndrome, Unstable Angina with Congestive Heart Failure and underlying Pneumonia.⁵

On March 5, 2007, Lorenzo lost consciousness. He was rushed to St. John Hospital in Naga City, then transferred again to Mother Seton Hospital.

¹ *Rollo*, pp. 26-36; penned by Associate Justice Socorro B. Inting, with Associate Justices Magdangal M. De Leon and Mario V. Lopez (now a member of this Court), concurring.

² *Id.* at 37-38.

³ *Id.* at 39.

⁴ *CA rollo*, p. 31.

⁵ *Rollo*, p. 40.

He was diagnosed with Cerebrovascular Disease, Thrombotic left Frontopareital, left Basal Ganglia, right Temporopareital and Cerebellar area with Hydrocephalus, Hospital Acquired Pneumonia, HASCVD. On March 15, 2007, Lorenzo died, at the age of 57, of Uncal Herniation, Cardio-embolic Cerebrovascular Disease, and Hypertensive Heart Disease.⁶

Consequently, Lorenzo's wife, Ma. Clara R. Calleja (*respondent*), filed with GSIS a claim for death benefits under P.D. 626, as amended, otherwise known as the Employees' Compensation Law. She asserted that her husband's death was caused by occupational diseases brought about by stress due to his heavy workload.⁷

On July 17, 2007, respondent received a letter from GSIS, dated July 6, 2007, denying her claim on the ground that there is no sufficient evidence to show that the cause of Lorenzo's death was work-related.⁸ Respondent submitted additional documents to GSIS, but the latter was unmoved, holding that Lorenzo's smoking history constituted negligence on his part, which is sufficient reason to deny the claim for death benefits.⁹

For this reason, respondent filed an appeal with the ECC. On July 31, 2008, the ECC rendered a Decision¹⁰ dismissing the claim. Thus:

WHEREFORE, the appealed decision is **AFFIRMED** and the claim for EC Death benefits is hereby dismissed for lack of merit.

SO ORDERED.¹¹

The ECC held that the records failed to show a causal relationship between Lorenzo's illness and his occupation. The stroke was not shown to be due to trauma to the head or that it was precipitated by undue or extraordinary strain at work, which are the conditions that make the illness compensable under P.D. No. 626, as amended.¹²

Moreover, the ECC held that medical science already established that the risk of developing a stroke increases with older age, cardiovascular disease and other conditions linked with atherosclerosis. In this case, the presence of atherosclerotic changes is demonstrated by Lorenzo's x-ray result. He had

⁶ Id. at 28.

⁷ Id.

⁸ *CA rollo*, p. 35.

⁹ *Rollo*, pp. 28-29.

¹⁰ Id. at 39-45.

¹¹ Id. at 45.

¹² Id. at 43.

also been recently treated for a heart condition.¹³ Lorenzo's cigarette smoking also caused or contributed to the development of his cerebrovascular disease. Hence, there was no reason to deviate from the GSIS decision denying respondent's claim.¹⁴

Undaunted, respondent elevated the case to the CA which, on June 30, 2011, rendered the assailed Decision granting the appeal. Thus:

WHEREFORE, the petition is **GRANTED**. The Decision dated July 31, 2008 of the Employees' Compensation Commission (ECC) in ECC Case No. GM-18095-0512-08 (Lorenzo B. Calleja-Deceased), entitled "Clara R. Calleja, Appellant versus Government Service Insurance System (GSIS), Municipality of Pamplona, Camarines Sur, Respondent, is **REVERSED** and **SET ASIDE**. Respondent Government Service Insurance System is ordered to grant the claim for the death benefits of Lorenzo Calleja under Presidential Decree No. 626, as amended. No costs.

SO ORDERED.¹⁵ (Citation omitted)

In essence, the CA held that under Annex "A" of the Amended Rules on Employees' Compensation, cerebrovascular accidents and essential hypertension are occupational and compensable diseases, and the resulting death entitles beneficiaries of employees to benefits under P.D. 626. Since Lorenzo died of Uncal Herniation, Cerebrovascular Disease-Cardioembolic and Hypertensive Heart Disease, his disease is compensable and respondent is entitled to death benefits.¹⁶

The CA Decision prompted GSIS to bring the present appeal. It argues that Lorenzo's ailment is not compensable under P.D. 626, as amended. Under Annex "A," Item No. 19 of the Amended Rules on Employees' Compensation, cerebrovascular disease or accident is compensable if all of the following conditions are satisfied:

- a) There must be a history, which must be proved, of trauma at work (to the head especially) due to unusual and extraordinary physical or mental strain or event, or undue exposure to noxious gases in industry;
- b) There must be a direct connection between the trauma or exertion in the course of the employment and the worker's collapse;

¹³ Id.

¹⁴ Id. at 44.

¹⁵ Id. at 35.

¹⁶ Id. at 30-31.

/
 xib

- c) If the trauma or exertion then and there caused a brain hemorrhage, the injury may be considered as arising from work.¹⁷ (emphases omitted)

According to GSIS, not all of the above conditions were satisfied. Particularly, it was not shown that Lorenzo had a history of trauma at work especially to the head due to unusual and extraordinary physical or mental strain or event. Hence, Lorenzo's death is not compensable.¹⁸

Moreover, under Item No. 29 of Annex "A," hypertension is considered compensable if it causes impairment of function of body organs like kidneys, heart, eyes and brain resulting in permanent disability. GSIS asserts that the documents presented by respondent failed to show that Lorenzo's body organs were impaired and that such impairment was caused by hypertension.¹⁹

GSIS further asserts that if the illness is not listed as occupational disease, proof must be shown that it was caused by employment and that the risk of contracting the disease was increased by the working conditions. Here, respondent made bare assertions that Lorenzo's work was heavy and stressful and concluded that the illness was caused by his employment. However, she did not present proof to support her argument.²⁰ There was also negligence on the part of Lorenzo arising from his being a smoker. Cigarette smoking caused or contributed to the development of his cerebrovascular disease. In any event, findings of fact of administrative officials are accorded by the courts not only respect but, most often, finality.²¹

We deny the petition.

The Amended Rules on Employees' Compensation provide that for a sickness and the resulting disability or death to be compensable, the sickness must be the result of an occupational disease listed under Annex "A" of the Rules with the conditions set therein satisfied. Otherwise, proof must be shown that the risk of contracting the disease was increased by the working conditions. Cerebrovascular disease and hypertension, which have been identified as among the causes of death of Lorenzo, are both compensable since they are listed as occupational diseases under Nos. 19 and 29, respectively, of Annex "A" of the said Rules.

¹⁷ Id. at 15-16.

¹⁸ Id. at 16.

¹⁹ Id.

²⁰ Id. at 17.

²¹ Id. at 18.

It must be emphasized at the outset that the degree of proof required to validate the concurrence of the conditions in the Rules is merely substantial evidence, that is, such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. What the law requires is a reasonable work-connection and not direct causal relation. It is enough that the hypothesis on which the workmen's claim is based is probable.²²

In this case, the Office of the Municipal Mayor of Pamplona, Camarines Sur, issued a Certification²³ stating that Lorenzo was handling two positions during his lifetime, those of the Municipal Budget Officer and the Human Resource Management Officer. On top of these, his assistant took a leave of absence for almost three months, which led him to carry out both his duties and responsibilities and those of his assistant. Lorenzo's Daily Time Record²⁴ showed that he worked for three consecutive weekends in January and February before he was hospitalized on February 7, 2007. In this respect, We uphold the ruling of the CA that the two positions held by Lorenzo undoubtedly caused unusual and extraordinary physical and mental strain on him. His job demanded a lot of mental work, making him susceptible to stress and fatigue that could weaken his resistance and cause hypertension, which in turn could trigger a cerebrovascular accident or stroke. The chain of causation that led to said illness and caused his immediate and untimely death is too obvious to be disregarded.²⁵

Respondent was able to establish a reasonable connection between Lorenzo's work and the diseases he suffered. At this point, We underscore that direct evidence showing that work caused the illness is not necessary. Rather, the test of proof in compensation proceedings is probability, and not the ultimate degree of certainty. Strict rules of evidence need not be observed as the primordial and paramount consideration should be the employee's welfare.²⁶

In the petition, GSIS cites the finding of the ECC that there was negligence on the part of Lorenzo, comprised of his cigarette smoking, which caused or contributed to the development of his cerebrovascular disease.²⁷ GSIS refers to the "medical findings" quoted in the ECC Decision which pertinently states that "[c]igarette smoking is an important cause of cerebrovascular disease and accounts for an estimated [18%] of 150,000 stroke deaths that occur every year in the United States. Studies have shown

²² *Government Service Insurance System v. Baul*, 529 Phil. 390, 396 (2006).

²³ CA rollo, p. 31.

²⁴ Id. at 33-34.

²⁵ Rollo, p. 32.

²⁶ *Villamor v. Employees' Compensation Commission*, 800 Phil. 269, 282 (2016).

²⁷ Rollo, pp. 17-18.

increased risk of stroke among smokers compared to non-smokers.”²⁸

The Court cannot subscribe to the position taken by GSIS. It singled out the presence of smoking as a factor that rendered Lorenzo’s ailments, otherwise listed as occupational, to be non-compensable. To be sure, while smoking is undeniably among the causes of cerebrovascular disease, it is not the sole cause thereof. This is evident not only from the facts of the case, but even in the “medical findings” quoted above. Cerebrovascular disease may be caused by other factors such as working and living under stressful conditions. Thus, the peremptory presumption that Lorenzo’s smoking habit caused his illness and resulting death, without more, cannot suffice to bar respondent’s claim for disability benefits.²⁹

The implication, if GSIS’ position will be sustained, is that smoking by itself will be a factor that will bar compensability, even for diseases that are listed as occupational in character.³⁰ This will defeat the purpose of P.D. 626. To be certain, in determining compensability, the nature and characteristics of the job are as important as raw medical findings and a claimant’s personal and social history. This is a basic legal reality in workers’ compensation law.³¹

As a final argument, GSIS invokes the Court to respect the factual findings of administrative agencies who have acquired expertise on account of their specialized jurisdiction on employees’ compensation matters.³² However, this rule is not absolute and admits of exceptions. Some of the well-settled ones are: when factual findings of the administrative agencies concerned are conflicting or contrary with those of the CA,³³ when the findings are grounded on speculation, and when the inference made is manifestly mistaken.³⁴ The ECC and GSIS are admittedly the government entities with jurisdiction over the administration of workers’ disability compensation and can thus claim primacy in these areas. However, they cannot claim infallibility, particularly when they use wrong or limited considerations in determining compensability.³⁵ While these agencies possess the requisite expertise and knowledge in compensation cases, their decision in respondent’s case is nonetheless erroneous and contrary to law. The Court cannot uphold these findings.³⁶

²⁸ *Id.* at 18.

²⁹ *GSIS v. De Castro*, 610 Phil. 568, 584 (2009).

³⁰ *Id.* at 581.

³¹ *Id.* at 582.

³² *Rollo*, pp. 18-19.

³³ *Marlow Navigation Philippines, Inc. v. Heirs of Ganal*, 810 Phil. 956, 961 (2017).

³⁴ *NGEI Multi-purpose Cooperative, Inc. v. Filipinas Palmoil Plantation Inc.*, 697 Phil. 433, 444 (2012).

³⁵ *GSIS v. De Castro*, *supra* note 27 at 582.

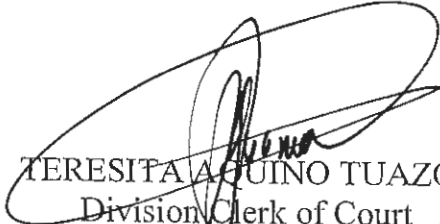
³⁶ *GSIS v. Calumpiano*, 748 Phil. 743, 759 (2014).

In arriving at its conclusion, the Court is guided by the principle that any doubt on the issue of employees' compensation should be interpreted in favor of the employee, considering that P.D. 626 is a social legislation. A humanitarian impulse, dictated by no less than the Constitution itself under the social justice policy, calls for a liberal and sympathetic approach to legitimate appeals of disabled public servants, or that all doubts to the right to compensation must be resolved in favor of the employee or laborer. Verily, the policy is to extend the applicability of the law on employees' compensation to as many employees who can avail of the benefits thereunder.³⁷

WHEREFORE, the petition is **DENIED**. The June 30, 2011 Decision and February 16, 2012 Resolution issued by the Court of Appeals in CA-G.R. SP. No. 105836 are hereby **AFFIRMED**.

SO ORDERED. (Lopez, *J.*, no part due to prior action in the Court of Appeals; Gaerlan, *J.*, designated additional member per Raffle dated October 29, 2020; Rosario, *J.*, designated additional member per Special Order No. 2797 dated November 5, 2020)"

By authority of the Court:


 TERESITA AQUINO TUAZON
 Division Clerk of Court
 26 JAN 2021 p 126

LEGAL SERVICE GROUP (reg)
 Counsel for Petitioner
 GSIS Headquarters, Financial Center
 Reclamation Area, 1308 Pasay City

ATTY. EUSEBIO JOSE F. ALVINA (reg)
 Counsel for Respondent
 Ground Floor, Prieto Building
 Panganiban Dr., Naga City
 4400 Camarines Sur

EMPLOYEES COMPENSATION COMMISSION (reg)
 4th & 5th Floor, ECC Building
 355 Sen. Gil J. Puyat Avenue
 Makati City
 (ECC Case No. GM-18095-0512-08)

JUDGMENT DIVISION (x)
 Supreme Court, Manila

PUBLIC INFORMATION OFFICE (x)
 LIBRARY SERVICES (x)
 [For uploading pursuant to A.M. No. 12-7-SC]

OFFICE OF THE CHIEF ATTORNEY (x)
 OFFICE OF THE REPORTER (x)
 Supreme Court, Manila

COURT OF APPEALS (x)
 Ma. Orosa Street
 Ermita, 1000 Manila
 CA-G.R. SP No. 105836

Please notify the Court of any change in your address.
 GR200652. 12/09/2020(277)URES

³⁷ Id. at 753.