FIRST DIVISION

GOVERNMENT SERVICE INSURANCE SYSTEM,
Petitioner,

- *versus* -

SIMEON TAÑEDO, JR.,
Respondent.

G.R. No. 193500

Present:

SERENO, *CJ.*,
Chairperson,
LEONARDO-DE CASTRO,
DEL CASTILLO,
JARDELEZA, and
TIJAM, *JJ.*

Promulgated:

NOV 20 2017

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DECISION

LEONARDO-DE CASTRO, *J.*:

This is a petition for review on *certiorari* pursuant to Rule 45 of the 1997 Rules on Civil Procedure filed by petitioner Government Service Insurance System (GSIS) seeking to reverse and set aside the Decision[1] dated April 15, 2010 and the Resolution[2] dated August 18, 2010 of the Court of Appeals in CA-G.R. SP No. 102493, entitled "*Simeon Tañedo, Jr. v. Employees' Compensation Commission (ECC) and Government Service Insurance System (GSIS).*" The first appellate court issuance reversed the Decision[3] dated December 17, 2007 of the Employees' Compensation Commission (ECC) in ECC Case No. GM-17750-0917-07 while the latter denied the motion for reconsideration filed by GSIS with regard to the aforementioned reversal. The ECC Decision at issue affirmed the denial by the GSIS of respondent Simeon A. Tañedo, Jr.'s (Tañedo) claim for disability benefits under Presidential Decree No. 626, as amended.

The factual history of this case was concisely narrated in the assailed April 15, 2010 Decision of the Court of Appeals as follows:

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1 *Rollo*, pp. 30-37; penned by Associate Justice Mario V. Lopez with Associate Justices Magdangal M. De Leon and Samuel H. Gaerlan concurring.
2 Id. at 38-41.
3 Id. at 42-45.

[Tañedo] has been a public servant since March 1, 1976. Before his retirement in December 2007, he held the position of records officer at the Bureau of Internal Revenue (BIR). His duties and responsibilities included the following:

a. Encodes and prints in the computer treasury reconciliation statements, supporting schedules and endorsement letters of funds;

b. Delivers said statements, schedules and letters to financial and administrative service, Commission on Audit and other revenue services;

c. Files statements and letters to the records section;

d. Performs other functions designated by the division chief.

On December 1, 2003, petitioner was examined at the National Kidney Institute where he was found to have varicosities or varicose veins in his legs as follows:

1. Mildly dilated left greater saphenous vein, particularly at the above knee, below the knee and ankle segment.

2. All deep veins are compressible with no evidence of deep venous thrombosis.

3. Superficial varicosities join the above knee and ankle segment of the left greater saphenous vein and its adjoining varices.

4. Mild venous blood flow reflux on maneuver in the left common femoral vein, entire left greater saphenous vein and its adjoining varices.

5. Incompetent and perforator vein join the distal left posterior tibial vein with superficial varicosities.

Convinced that his ailment supervened by reason and in the course of his employment with the BIR, [Tañedo] filed a claim before the Government Service Insurance System (GSIS) for compensation benefits under P.D. No. 626, as amended. His plea, however, was denied by the GSIS in a letter dated January 24, 2004 on the ground that varicosities is not considered an occupational disease under P.D. No. 626, as amended.[4]

On appeal, the ECC affirmed the GSIS's denial of Tañedo's claim, ruling that:

The pertinent provision of the law provides that for sickness or death to be compensable, the ailment or death resulting therefrom must be listed as an occupational disease. Otherwise, proof must be shown that the risk of contracting the ailment is increased by the nature of the employment and/or the working conditions of the covered employee. This

4 Id. at 30-32.

is the so-called Increased Risk Theory where only substantial evidence is required by law to support one's claim.

x x x x

Varicosities is not among the occupational diseases listed under Annex "A" of the Amended Rules on Employees' Compensation Law. Thus, it is required of the appellant to prove that the risk of contracting the said ailment was increased by the nature of his working conditions. However, looking at the possible causes and the appellant's job as Records Officer, it appears that causal relationship between his illness and his job cannot be established. Medical science has already established that familial tendency is the most important predisposing factor in the development of varicose veins.

The appellant should have presented substantial evidence x x x showing that the nature of his employment or working conditions increased the risk of varicosities. In this case, there is no showing that the progression of the disease was brought about largely by the conditions in the appellant's job. x x x.[5]

Dissatisfied with the ECC's verdict, Tañedo elevated his case to the Court of Appeals which, in its assailed April 15, 2010 Decision, granted his appeal and disposed of the case in this wise:

FOR THESE REASONS, We **GRANT** the instant petition. The assailed Decision of the Employees' Compensation Commission is **SET ASIDE**. Respondent Government Service Insurance System is **ORDERED** to pay petitioner the compensation benefits due him under P.D. 626, as amended.[6]

The GSIS filed a motion for reconsideration but this was denied in the assailed August 18, 2010 Resolution of the appellate court.

Thereafter, the GSIS filed the present petition and raised the following issues for consideration:

1. WHETHER THE COURT OF APPEALS ERRED IN FINDING THAT RESPONDENT'S VARICOSITIES WAS WORK-CONNECTED OR THAT THE NATURE OF HIS WORK INCREASED THE RISK OF CONTRACTING THE SAME; AND

2. WHETHER THE COURT OF APPEALS ERRED IN GRANTING RESPONDENT'S CLAIM FOR TEMPORARY DISABILITY BENEFITS.[7]

The petition is meritorious.

Simply put, the issue for resolution in this case is whether or not Tañedo's medical condition is compensable under the law.

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5 Id. at 43-44.
6 Id. at 36.
7 Id. at 14.

Presidential Decree No. 626, as amended, defines **compensable sickness** as "any illness definitely accepted as an occupational disease listed by the Commission, or any illness caused by employment subject to proof by the employee that the risk of contracting the same is increased by the working conditions."

In order to warrant compensation for an ailment and its resulting disability or death under Presidential Decree No. 626, as amended, Section 1(b), Rule III of the Amended Rules on Employees' Compensation (AREC) provides:

> SECTION 1. *Grounds.* – **(a) For the injury and the resulting disability or death to be compensable, the injury must be the result of accident arising out of and in the course of the employment.**
>
> (a) **For the 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 these Rules with the conditions set therein satisfied, otherwise, proof must be shown that the risk of contracting the disease is increased by the working conditions. (Emphases supplied.)

Thus, for sickness or death of an employee to be compensable, the claimant must show either: (1) that it is a result of an occupational disease listed under Annex "A" of the AREC with the conditions set therein satisfied; or (2) if not so listed, that the risk of contracting the disease was increased by the working conditions.[8]

It is undisputed that Tañedo's medical condition (*i.e.,* varicosities in the left leg) is **not among the occupational diseases** listed under Annex "A" of the AREC. Therefore, he is required by statute to prove that the risk of contracting the said ailment was increased by the nature of his working conditions.

The Court of Appeals was correct in stating in its assailed April 15, 2010 Decision that "what the law requires is reasonable work-connection, not direct causal relation"[9] and that "the degree of proof required under Presidential Decree No. 626 is merely substantial evidence or such relevant evidence as a reasonable mind might accept as adequate to support a conclusion."[10]

However, a careful review of the records of this case would reveal that Tañedo failed to provide substantial evidence to prove that his medical condition was caused by his work at the Bureau of Internal Revenue (BIR). He was unable to present any competent medical history, records or a physician's report that would objectively demonstrate that his claim of a

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8 *Government Service Insurance System v. Capacite*, 744 Phil. 170, 176 (2014).

9 *Rollo*, p. 35; citing *Salalima v. Employees' Compensation Commission*, 472 Phil. 787, 794 (2004).

10 Id. at 36; citing *Government Service Insurance System v. Valenciano*, 521 Phil. 253, 261 (2006).

reasonable connection between his work and his medical ailment has substantial basis. All that can be found on record are (a) the hospitalization claim for payment, and (b) the radiology consultation report that both merely describe his medical condition of "stasis dermatitis" or "superficial varicosities" but with no medical assessment as to the cause thereof.

In his pleadings, Tañedo asserted that his function of delivering documents to various government offices, encoding, printing as well as filing statements and letters cannot be accomplished without great leg exertion which caused the varicosities on his left leg. Unfortunately, his statements were not supported by any substantial medical or credible proof. Being such, they are mere speculations or presumptions upon which an award of compensation cannot be properly based. It is axiomatic that the employee is required to prove a positive proposition - that the risk of contracting the disease is increased by his working conditions.[11]

Although we agree with the Court of Appeals that according to jurisprudence "it is enough that the hypothesis, on which the workmen's claim is based, is probable,"[12] we likewise previously ruled in *Government Service Insurance System v. Cuntapay*,[13] that said probability must be reasonable and based on credible information, to wit:

> Probability, not the ultimate degree of certainty, is the test of proof in compensation proceedings. And probability must be reasonable; hence, it should, at least, be anchored on credible information. Moreover, a mere possibility will not suffice; a claim will fail if there is only a possibility that the employment caused the disease.

In all, Tañedo's evidence merely point to a possibility that there is a nexus between his work and his ailment which cannot be deemed adequate basis to grant workmen's compensation claims.

We have held that findings of facts of quasi-judicial agencies are accorded great respect and, at times, even finality if supported by substantial evidence.[14] In the case at bar, we concur with the ECC's evaluation of the evidence that Tañedo suffered from a non-occupational disease and that he failed to prove the work-connection of his illness. Perforce, his claim for compensation under Presidential Decree No. 626, as amended, has no legal and factual bases.

In closing, we reiterate that while we sympathize with the plight of the working man like Tañedo, it is important to note that such sympathy must be balanced by the equally vital interest of denying undeserving claims for compensation. Compassion in this instance must give way to "a greater concern for the trust fund to which the tens of millions of workers and their

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11 *Raro v. Employees' Compensation Commission*, 254 Phil. 846 (1989).
12 *Government Service Insurance System v. Valenciano*, supra note 10.
13 576 Phil. 482, 492 (2008).
14 *Barsolo v. Social Security System*, G.R. No. 187950, January 11, 2017.

families look to for compensation whenever covered accidents, diseases and deaths occur."[15] In *Government Service Insurance System v. Capacite*,[16] we again elucidated on the underlying reason why the workmen's compensation fund or insurance trust fund should only be applied to legitimate claims for compensation benefits, to wit:

> While PD 626, as amended, is a social legislation whose primary purpose is to provide meaningful protection to the working class against the hazards of disability, illness, and other contingencies resulting in loss of income, it was not enacted to cover all ailments of workingmen. The law discarded, among others, the concepts of "presumption of compensability" and "aggravation" and substituted a system based on social security principles. The intent was to restore a sensible equilibrium between the employer's obligation to pay workmen's compensation and the employee's right to receive reparation for work-connected death or disability.

In light of the foregoing, we are compelled to overturn the appellate court's grant of Tañedo's claim for compensation benefits for want of substantial evidence to prove work-related causation or aggravation of his medical condition.

WHEREFORE, the petition is **GRANTED**. The Decision dated April 15, 2010 and the Resolution dated August 18, 2010 of the Court of Appeals in CA-G.R. SP No. 102493 are hereby **REVERSED** and **SET ASIDE**. The Decision dated December 17, 2007 of the Employees' Compensation Commission in ECC Case No. GM-17750-0917-07 is hereby **REINSTATED**.

SO ORDERED.

Teresita Leonardo de Castro
TERESITA J. LEONARDO-DE CASTRO
Associate Justice

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15 *Bañez v. Social Security System*, 739 Phil. 148, 158 (2014).

16 Supra note 8 at 181.

WE CONCUR:

MARIA LOURDES P. A. SERENO
Chief Justice

MARIANO C. DEL CASTILLO
Associate Justice

FRANCIS H. JARDELEZA
Associate Justice

NOEL GIMENEZ TIJAM
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARIA LOURDES P. A. SERENO
Chief Justice