



Republic of the Philippines  
 Supreme Court  
 Manila

FIRST DIVISION

PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH), PHILHEALTH PRESIDENT AND CHIEF EXECUTIVE OFFICER, AND PHILHEALTH REGIONAL OFFICE-NATIONAL CAPITAL REGION, THROUGH ITS VICE PRESIDENT,

Petitioners,

G.R. No. 271209

Present:  
 GESMUNDO, *Chairperson*  
 HERNANDO,  
 ZALAMEDA,  
 ROSARIO, and  
 MARQUEZ, *JJ.*

- versus -

DR. JOSE MARI DEL VALLE GALAURAN,

Respondent.

Promulgated:

AUG 19 2024

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DECISION

**HERNANDO, J.:**

This Petition for Review on *Certiorari*<sup>1</sup> challenges the Decision<sup>2</sup> dated September 13, 2023, and the Resolution<sup>3</sup> dated December 13, 2023, of the Court of Appeals (CA) in CA-G.R. SP No. 169097.

<sup>1</sup> *Rollo*, pp. 56–90.

<sup>2</sup> *Id.* at 9–28. The September 13, 2023 Decision in CA-G.R. SP No. 169097 was penned by Associate Justice Lorenza R. Bordios, and concurred in by Associate Justices Fernanda Lampas Peralta and Rafael Antonio M. Santos of the First Division, Court of Appeals, Manila.

<sup>3</sup> *Id.* at 52–54. The December 13, 2023 Resolution in CA-G.R. SP No. 169097 was penned by Associate Justice Lorenza R. Bordios, and concurred in by Associate Justices Fernanda Lampas Peralta and Rafael Antonio M. Santos of the Former First Division, Court of Appeals, Manila.

Philippine Health Insurance Corporation (PhilHealth) is a government-owned or controlled corporation (GOCC) created by virtue of Republic Act No. 7875,<sup>4</sup> as amended by Republic Act No. 9241<sup>5</sup> and Republic Act No. 10606,<sup>6</sup> or the National Health Insurance Act (NHIA).<sup>7</sup>

The PhilHealth President and Chief Executive Officer (CEO), and the Vice President of the Regional Office of the National Capital Region (NCR) (Vice President) are officers of PhilHealth, whose decisions were assailed by Dr. Jose Mari Del Valle Galauran<sup>8</sup> (Dr. Galauran) before the appellate court.<sup>9</sup>

On the other hand, Dr. Galauran was a PhilHealth-accredited health care professional (HCP),<sup>10</sup> with a specialization in nephrology.

### *Factual Antecedents*

On the basis of various anomalous claims for patients, PhilHealth issued Corporate Personnel Order No. 2018-1802<sup>11</sup> dated August 17, 2018, which authorized certain personnel of the Fact-Finding Investigation and Enforcement Department (FFIED) to conduct hospital spot inspection and claims validation through domiciliary visits within Regions IV-A, NCR, and Rizal from October 1 to 31, 2018, excluding Saturdays, Sundays, and holidays.<sup>12</sup>

For this purpose, WellMed Dialysis and Laboratory Center Corporation (WellMed) was among the medical centers subjected to a spot inspection and claims validation.<sup>13</sup> According to a report from the FFIED, WellMed filed anomalous claims for patients who were already dead, and still received out-of-pocket payments from dialysis patients or members without issuing the corresponding receipts for their treatments.<sup>14</sup>

FFIED reported that on November 3, 2016, WellMed filed benefit claims for the out-patient hospitalization and dialysis sessions of PhilHealth member

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<sup>4</sup> An Act Instituting a National Health Insurance Program for all Filipinos and Establishing the Philippine Health Insurance Corporation for the Purpose (1995).

<sup>5</sup> An Act Amending Republic Act No. 7875, Otherwise Known as "An Act Instituting a National Health Insurance Program for all Filipinos and Establishing the Philippine Health Insurance Corporation for the Purpose" (2004).

<sup>6</sup> An Act Amending Republic Act No. 7875, Otherwise Known as The "National Health Insurance Act of 1995", As Amended, and For Other Purposes (2013).

<sup>7</sup> *Rollo*, p. 59.

<sup>8</sup> Also referred to as "Dr. Galaura" in the records.

<sup>9</sup> *Rollo*, p. 59.

<sup>10</sup> *Id.* at 60.

<sup>11</sup> *Id.* at 180. Titled "Authority for Fact-Finding Investigation and Enforcement Department (FFIED) Personnel to Conduct Hospital Spot Inspection and Claims Validation through Domiciliary Visits within Regions IVA, NCR, and Rizal."

<sup>12</sup> *Id.* at 11.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

and patient, Bebian Morte Albante<sup>15</sup> (Albante), amounting to PHP 49,400.00 for hemodialysis procedures covering several dates in August and September 2016.<sup>16</sup> However, the records establish that Albante died on July 16, 2016, and was already dead when WellMed filed and processed the benefit claims.<sup>17</sup>

It was alleged that Dr. Galauran certified, in behalf of WellMed, that Albante underwent dialysis sessions after July 16, 2016.<sup>18</sup> For this reason, a Complaint-Affidavit<sup>19</sup> was filed against Dr. Galauran and WellMed.<sup>20</sup> Thus, the FFIED charged Dr. Galauran for the following offenses of HCPs under the Revised Implementing Rules and Regulations<sup>21</sup> (RIRR) of NHIA: (1) misrepresentation by false or incorrect information under Section 162; and (2) breach of the warranties of accreditation/performance commitment under Sec. 163.<sup>22</sup>

On July 12, 2019, PhilHealth ordered Dr. Galauran to file a Verified Answer.<sup>23</sup>

In compliance, Dr. Galauran filed his Verified Answer<sup>24</sup> dated August 27, 2019, and denied all the accusations against him.<sup>25</sup> Dr. Galauran argued that: (1) he cannot be held administratively liable because Albante was not his patient; (2) he was not a resident physician nor a consultant at WellMed; (3) on the other hand, he worked as an Associate Medical Doctor at Eaglerock Dialysis and Wellness Center, a direct competitor of WellMed; and (4) he had no participation in the alleged fraudulent claims as he did not sign any document for benefit claims to PhilHealth.<sup>26</sup>

Notwithstanding, PhilHealth sent a Letter<sup>27</sup> dated August 7, 2020 (first assailed Order) informing Dr. Galauran that his accreditation was withdrawn effective from date of notice.<sup>28</sup> The first assailed Order stated that after investigation and on the basis of the administrative cases filed before the Arbitration Office, PhilHealth found sufficient grounds to withdraw Dr.

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<sup>15</sup> Also referred to as "Bebian N. Almonte" in the records.

<sup>16</sup> *Rollo*, p. 11.

<sup>17</sup> *Id.* at 177, 206.

<sup>18</sup> *Id.* at 11.

<sup>19</sup> *Id.* at 176-179.

<sup>20</sup> *Id.* at 11.

<sup>21</sup> Philippine Health Insurance Corporation (PhilHealth), The Revised Implementing Rules and Regulations (RIRR) of the National Health Insurance Act (NHIA) of 2013, Republic Act No. 7875 (1989), as amended by Republic Act No. 9241 (2004) and Republic Act No. 10606 (2013).

<sup>22</sup> *Rollo*, pp. 11-12.

<sup>23</sup> *Id.* at 12.

<sup>24</sup> *Id.* at 210-226.

<sup>25</sup> *Id.* at 12.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.* at 147-148.

<sup>28</sup> *Id.* at 12.

Galauran's accreditation.<sup>29</sup> The charges were summarized in the first assailed Order as follows:

1. Misrepresentation by Furnishing False or Incorrect Information – for filing benefit claims for the hemodialysis sessions of deceased patient with the following details:

Name of Patient	Confinement Date	Amount Involved
Bebian N. Almonte	August 17, 20, 22, 24, 27 and 29, 2016 September 1, 3, 5, 8, 10, 12, 15, 17, 19, 21, 24, 26 and 28[, 2016]	[PHP] 6,650.00 (Paid)

2. Breach of the Warranties of Accreditation/Performance Commitment – under Item Nos. 9, 18, &19, . . .

*Item No. 9* – I shall strictly abide with all the implementing rules and regulations, memorandum, circulars, advisories, special orders and other administrative issuances issued by the PHIC governing my accreditation[.]

*Item No. 18* – I shall promote and protect the NHI Program against abuse, violation and/or over utilization of its Funds and I will not allow our institution to be a party to any act, scheme, plan or contract that may directly or indirectly be prejudicial to the Program.

*Item No. 19* – I shall not directly or indirectly engage in any form of unethical or improper practices as an accredited provider such as but not limited to solicitation of patients for purposes of compensability under the NHIP the purpose and/or the end consideration of which tends unnecessary financial gain rather than promotion of the NHIP thereby ultimately undermining the greater interests and noble purpose of the NHIP.<sup>30</sup>

Dr. Galauran contested the charges through a Letter<sup>31</sup> dated September 4, 2020, and sought reconsideration of the withdrawal of his accreditation.<sup>32</sup> Apart from reiterating the defenses stated in his Verified Answer, Dr. Galauran added that: (1) he was also a victim of the fraudulent machinations of WellMed, along with other nephrologists;<sup>33</sup> (2) two WellMed whistleblowers publicly admitted forging the signatures for anomalous benefit claims to PhilHealth for ghost

<sup>29</sup> *Id.* at 12–13.

<sup>30</sup> *Id.* at 13, 147–148.

<sup>31</sup> *Id.* at 149–150.

<sup>32</sup> *Id.* at 13.

<sup>33</sup> *Id.*

dialysis treatments;<sup>34</sup> (3) the *Salaysay*<sup>35</sup> of Albante's mother did not mention his name as the attending nephrologist;<sup>36</sup> and (4) PhilHealth did not furnish him a copy of the alleged falsified document or the document proving that he received PHP 6,500.00 for the dialysis treatments.<sup>37</sup>

Dr. Galauran also filed a Motion for Reconsideration before the PhilHealth Regional Office – NCR.<sup>38</sup>

In a Letter<sup>39</sup> dated December 15, 2020 (second assailed Order), the PhilHealth President and CEO denied the appeal of Dr. Galauran for lack of merit, and stressed that “the accreditation process is separate and distinct from the quasi-judicial process in PhilHealth.”<sup>40</sup> Consequently, PhilHealth sent a Letter<sup>41</sup> dated February 3, 2021 informing Dr. Galauran of the decision of the PhilHealth President and CEO.<sup>42</sup>

The first and second assailed Orders (collectively assailed Orders) prompted Dr. Galauran to seek recourse before the CA through a petition for *certiorari* under Rule 65 of the Rules of Court. In his petition<sup>43</sup> before the CA, Dr. Galauran argued that: (1) the PhilHealth's assailed Orders revoking his accreditation were patently unlawful, as they were not issued by the PhilHealth Board of Directors (PhilHealth Board) in the exercise of its quasi-judicial power;<sup>44</sup> and (2) he was not accorded his constitutional right to due process without the requisite notice and hearing.<sup>45</sup>

The exchange of pleadings before the CA concluded with the parties filing their respective Memoranda.<sup>46</sup> In PhilHealth's Memorandum<sup>47</sup> dated June 30, 2022, it again argued that Dr. Galauran was administratively liable for the multiple violations charged against him thus justifying the valid and lawful revocation of his accreditation. On the other hand, Dr. Galauran denied all of PhilHealth's allegations and reiterated his previous defenses in his Memorandum<sup>48</sup> dated June 28, 2022.

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<sup>34</sup> *Id.*

<sup>35</sup> *Id.* at 206.

<sup>36</sup> *Id.* at 13–14.

<sup>37</sup> *Id.* at 14.

<sup>38</sup> *Id.*

<sup>39</sup> *Id.* at 227–229.

<sup>40</sup> *Id.* at 14, 227.

<sup>41</sup> *Id.* at 230.

<sup>42</sup> *Id.* at 14, 227.

<sup>43</sup> *Id.* at 231–263.

<sup>44</sup> *Id.* at 243–245.

<sup>45</sup> *Id.* at 250–255.

<sup>46</sup> *Id.* at 17.

<sup>47</sup> *Id.* at 310–321.

<sup>48</sup> *Id.* at 322–352.

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In addition, Dr. Galauran filed a Manifestation informing the appellate court that the PhilHealth Arbitration Office dismissed the case against him for insufficiency of evidence per the Order dated May 31, 2022.<sup>49</sup>

### *Ruling of the Court of Appeals*

On September 13, 2023, the appellate court granted Dr. Galauran's petition and set aside the assailed Orders.<sup>50</sup> The dispositive portion of the CA Decision<sup>51</sup> reads:

**WHEREFORE**, in view of the foregoing, the instant Petition is **GRANTED**. The Letters dated August 7, 2020 and December 15, 2020 issued by the [PhilHealth] Office of the Area Vice President, Area II – South Luzon and Concurrent Vice President – PRO NCR and of the Phil[H]ealth Office of the President and CEO, respectively, withdrawing Dr. Jose Mari Galauran's accreditation as a health care professional, are **SET ASIDE**.

**SO ORDERED.**<sup>52</sup> (Emphasis in the original)

The appellate court ruled that the authority to withdraw or revoke an existing accreditation is vested with the PhilHealth Board.<sup>53</sup> It further clarified that the initial process of accreditation and its revocation or withdrawal are two separate processes and exercised by distinct entities.<sup>54</sup> Thus, Dr. Galauran's accreditation was revoked arbitrarily and without lawful authority.<sup>55</sup>

With regard to the issue on due process, the CA found that Dr. Galauran's right was violated by PhilHealth.<sup>56</sup> In particular, PhilHealth failed to furnish a copy of the document showing that Dr. Galauran allegedly received the amount of PHP 6,650.00 from its office for the ghost dialysis sessions of Albante.<sup>57</sup>

The appellate court also ruled that the revocation of Dr. Galauran's accreditation was not supported by substantial evidence.<sup>58</sup> In fact, the documentary evidence presented by PhilHealth revealed that: (1) the deceased patient's attending physician was a certain Dr. Natividad, *not* Dr. Galauran; and (2) the computer-generated report only showed Dr. Galauran's name in the column of list of professionals, and proved that he did not prepare any report for Albante.<sup>59</sup>

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<sup>49</sup> *Id.* at 17.

<sup>50</sup> *Id.* at 18.

<sup>51</sup> *Id.* at 9–28.

<sup>52</sup> *Id.* at 27–28.

<sup>53</sup> *Id.* at 21–48.

<sup>54</sup> *Id.* at 18–24.

<sup>55</sup> *Id.* at 24.

<sup>56</sup> *Id.* at 25.

<sup>57</sup> *Id.* at 26.

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

PhilHealth sought reconsideration,<sup>60</sup> but it proved futile. The CA found that the motion for reconsideration raised reiterated, repeated, and rehashed arguments from its appeal, which were thoroughly discussed in its assailed Decision dated September 13, 2023.<sup>61</sup>

Thus, the dispositive portion of the CA Resolution<sup>62</sup> dated December 13, 2023 states:

**WHEREFORE**, since there are no compelling grounds or bases sufficient to justify the reversal or modification of Our Decision dated September 13, 2023, the Motion for Reconsideration filed by [PhilHealth] is hereby **DENIED** for lack of merit.

**SO ORDERED.**<sup>63</sup> (Emphasis in the original)

Dissatisfied, PhilHealth filed the instant Petition<sup>64</sup> arguing that: (1) the President and CEO, as well as the Vice President, not the PhilHealth Board, acted within its jurisdiction and authority in withdrawing Dr. Galauran's accreditation;<sup>65</sup> (2) PhilHealth's accreditation procedure is separate and distinct from its arbitration procedure under the NHIA and its RIRR;<sup>66</sup> and (3) Dr. Galauran was afforded due process.<sup>67</sup>

PhilHealth likewise sought the issuance of a temporary restraining order and/or writ of preliminary injunction before this Court.<sup>68</sup> In support of its application, PhilHealth argued that the assailed Decision and Resolution of the CA would set a dangerous precedent, effectively hinder the implementation of its accreditation procedure under the NHIA and its RIRR, and undermine its authority to withdraw an HCP's accreditation.<sup>69</sup>

Without giving due course to the Petition, this Court issued a Resolution<sup>70</sup> dated June 5, 2024 denying PhilHealth's application for the issuance of a temporary restraining order and/or writ of preliminary injunction for lack of merit.<sup>71</sup> In the same Resolution, Dr. Gaularan was directed to file his Comment.<sup>72</sup> **However, as of writing, Dr. Gaularan has not filed his**

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<sup>60</sup> *Id.* at 29–46.

<sup>61</sup> *Id.* at 53.

<sup>62</sup> *Id.* at 52–54.

<sup>63</sup> *Id.* at 53.

<sup>64</sup> *Id.* at 56–90.

<sup>65</sup> *Id.* at 64–73.

<sup>66</sup> *Id.* at 73–78.

<sup>67</sup> *Id.* at 78–83.

<sup>68</sup> *Id.* at 83–86.

<sup>69</sup> *Id.* at 85–86.

<sup>70</sup> *Id.* at 432–433.

<sup>71</sup> *Id.* at 432.

<sup>72</sup> *Id.*

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**Comment. Nonetheless, We deem it proper to dispense with the Comment and proceed with the resolution of the case before Us.**

### *Issues*

The issues for Our resolution are the following:

1. Whether Dr. Gaularan's accreditation was revoked arbitrarily and without lawful authority by the PhilHealth President CEO, as well as the Vice President; and
2. Whether Dr. Gaularan was afforded due process.

### *Our Ruling*

We affirm.

The Court rules that PhilHealth arbitrarily and unlawfully revoked the accreditation of Dr. Gaularan, and did not afford him due process. Consequently, the CA did not gravely abuse its discretion in setting aside the assailed Orders of PhilHealth.

Foremost, We establish the legal framework for the accreditation of a HCP, and its withdrawal and/or revocation by the PhilHealth Board.

*PhilHealth is mandated by its institutional law, as amended, to determine the requirements, and issue guidelines for the accreditation of health care providers*

We held in jurisprudence that the NHIA, as amended, seeks to prioritize and accelerate the provision of health services to all Filipinos, especially that segment of the population who cannot afford healthcare.<sup>73</sup> In so doing, We emphasized the utmost importance of PhilHealth to public health programs.<sup>74</sup>

PhilHealth's institutional law mandates it to administer the National Health Insurance Program (Program).<sup>75</sup> In pursuit of its mandate, PhilHealth is

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<sup>73</sup> *Quezon City Eye Center v. Philippine Health Insurance Corp.*, G.R. Nos. 246710-15, February 6, 2023 [Per J. Lazaro-Javier, Second Division] at 27. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

<sup>74</sup> *Philippine Health Insurance Corp. v. Urdaneta Sacred Heart Hospital*, G.R. No. 214485, January 11, 2021 [Per J. Hernando, Third Division].

<sup>75</sup> See Republic Act No. 7875, sec. 2.

likewise required to determine the requirements and issue guidelines for the accreditation of health care providers.<sup>76</sup>

Under the NHIA, as amended, a health care provider, who may be an HCP, is defined as any doctor of medicine, nurse, midwife, dentist, or other health care professional or practitioner duly licensed to practice in the Philippines and accredited by PhilHealth.<sup>77</sup>

In its RIRR, PhilHealth defined the term “accreditation” as a process to verify the qualifications and capabilities of health care providers for the purpose of conferring upon them the privilege of participating in the Program and assuring the quality of their health care services. Thus, Sec. 3 states:

SECTION 3. *Definition of Terms.* — For the purposes of this Rules, the terms below shall be defined as follows:

- a. ....
- b. ***Accreditation of Health Care Providers* – a process whereby the qualifications and capabilities of health care providers are verified in accordance with the guidelines, standards and procedures set by the Corporation for the purpose of conferring upon them the privilege of participating in the Program and assuring that health care services rendered by them are of the desired and expected quality.** Accreditation encompasses licensing or certification, or pre-accreditation survey, as applicable, and their participation in the Program.<sup>78</sup> (Emphasis supplied)

For an HCP or any licensed doctor of medicine, nurse, midwife, dentist, or other health care professional or practitioner to be accredited with PhilHealth, he or she must meet the following requirements:

SECTION 61. *Accreditation Requirements for Physicians, Dentists, Nurses, Midwives, Pharmacists and Other Licensed Health Care Professionals.* — Physicians, dentists, nurses, midwives, pharmacists and other licensed health care professionals shall comply with the following requirements to be accredited:

- a. They must be duly licensed to practice in the Philippines by the PRC;
- b. They must be members of the Program with qualifying premium contributions;
- c. They must comply with the provisions set forth in the performance commitment for professionals; and

<sup>76</sup> See Republic Act No. 7875, sec. 16 (1).

<sup>77</sup> See Republic Act No. 7875, sec. 16 (1).

<sup>78</sup> See PhilHealth, RIRR of the NHIA of 2013, Republic Act No. 7875 (1989), as amended by Republic Act No. 9241 (2004) and Republic Act No. 10606 (2013), sec. 3 (b).

- d. They must comply with all other requirements that may be determined by the Corporation.

No accreditation fees shall be imposed by the Corporation for health care professionals and shall not require a certificate of good standing or such other analogous certification for them to be accredited.

Findings on ethical issues by disciplinary bodies of accredited professional organizations of the Professional Regulation Commission (PRC) or specialty societies recognized by the Philippine Medical Association (PMA) in the case of medical specialists, shall be considered in assessing the performance of health care professionals. Suspension of membership in such professional organizations shall be given due consideration in assessing the continued accreditation of such professionals.<sup>79</sup>

Based on the above, Sec. 61 mandates HCPs to be licensed by the Professional Regulation Commission, members of the PhilHealth Program, comply with the performance commitment for professionals and other requirements determined by PhilHealth.

Further, the RIRR enumerates the types of accreditation that a health care provider may undergo. This includes initial accreditation, continuous accreditation, re-accreditation, and reinstatement of accreditation.<sup>80</sup>

Among the types of accreditation, We emphasize the definition of continuous accreditation, and maintain that health care providers enjoy uninterrupted participation until such time that their accreditation is withdrawn by PhilHealth.<sup>81</sup> Thus, Sec. 53 provides:

SECTION 53. *Types of Accreditation.* — Accreditation shall be the following types:

- a. Initial Accreditation - . . . .
- b. **Continuous Accreditation – This shall be given to accredited health care providers that applied through basic participation and who complied with the requirements prescribed by the Corporation that qualify them for uninterrupted participation to the Program, until their accreditation is withdrawn based on rules set by the Corporation.**
- c. Re-accreditation - . . . .
- d. Reinstatement of Accreditation - . . . .<sup>82</sup> (Emphasis supplied)

<sup>79</sup> See RIRR of the NHIA, sec. 61.

<sup>80</sup> See RIRR of the NHIA, sec. 53 (a-d).

<sup>81</sup> See RIRR of the NHIA, sec. 53 (b).

<sup>82</sup> See RIRR of the NHIA, sec. 53.

In the RIRR, PhilHealth also provides the process of accreditation for HCPs,<sup>83</sup> as well as the grounds for the denial or non-reinstatement of accreditation.<sup>84</sup> Sec. 62 requires the submission of accreditation forms and documents, while Sec. 63 states that non-compliance with the submission of the required forms and documents is a ground for the denial or non-reinstatement of an accreditation. Thus, Secs. 62 and 63 state:

SECTION 62. *Process of Accreditation for Health Care Professionals.* — The following is the process for all health care professionals for them to be accredited:

- a. The health care professional shall apply for accreditation by submitting duly accomplished forms and documents as required by the Corporation. Such documents shall be subject to verification and authentication at the discretion of the Corporation.
- b. The health care professional shall submit all requirements for accreditation for evaluation and processing.
- c. The Corporation shall determine the period of accreditation and reserves the right to issue or deny accreditation after an evaluation of the capability and integrity of the health care professional.
- d. Accreditation shall take effect prospectively.
- e. All matters pertaining to accreditation shall be decided by the Accreditation Committee whose decision shall become effective upon approval by the President and CEO. Such decision may be the subject of a motion for reconsideration to be filed with the Accreditation Committee. Only one motion for reconsideration.

SECTION 63. *Grounds for Denial/Non-Reinstatement of Accreditation.* — Any of the following shall be grounds for the denial/non-reinstatement of accreditation:

- a. Non-compliance with any or all of the requirements of accreditation;
- b. Revocation, non-renewal or non-issuance of license/ accreditation/ clearance to operate or practice of the health care provider by the DOH, PRC or government regulatory office or institution;
- c. Conviction due to fraudulent acts as determined by the Corporation until such time that the decision is reversed by the Appellate Court or the penalty has been fully served;
- d. Change in the ownership, management or any form of transfer either by lease, mortgage or any other transfer of a health care institution without prior notice to the Corporation; or,

<sup>83</sup> See RIRR of the NHIA, sec. 62.

<sup>84</sup> See RIRR of the NHIA, sec. 63.

- e. Such other grounds as the Corporation may determine.

Finally, the RIRR enumerates the quasi-judicial powers of PhilHealth, vesting it with the power to temporarily suspend, permanently revoke, or restore the accreditation of a health care provider after due notice and hearing.<sup>85</sup> Sec. 75 reads:

SECTION 75. *Quasi-Judicial Powers.* — The Corporation, to carry out its tasks more effectively, shall be vested with the following powers:

- a. . . .;
- b. . . .;
- c. Subject to the respondent's right to due process, **to suspend temporarily, revoke permanently or restore the accreditation of a health care provider** or the right to benefits of a member and/or impose fines **after due notice and hearing.** The decision shall immediately be executory, even pending appeal, when the public interest so requires and as may be provided for in this Rules. Suspension of accreditation shall not exceed six (6) months. Suspension of the rights of members shall not exceed six (6) months.
- d. . . .<sup>86</sup> (Emphasis supplied)

It is clear that the quasi-judicial powers enumerated in Sec. 75 are duly exercised by the PhilHealth Board, which is composed of several members.<sup>87</sup> Furthermore, when the PhilHealth Board decides on cases brought to it for review, whether en banc or in division, the concurrence of the majority of all the members is required.<sup>88</sup>

**Having established the legal framework for the accreditation of a HCP, and its withdrawal and/or revocation by the PhilHealth Board, We find no merit in PhilHealth's arguments.**

*PhilHealth Board is vested with the authority to withdraw or revoke an accreditation. Thus, PhilHealth acted arbitrarily and unlawfully when it revoked Dr. Galarran's accreditation*

<sup>85</sup> See RIRR of the NHIA, sec. 75 (1).

<sup>86</sup> See RIRR of the NHIA, sec. 75.

<sup>87</sup> See RIRR of the NHIA, sec. 76.

<sup>88</sup> See RIRR of the NHIA, sec. 77.

In the Petition, PhilHealth argued that the CA erred when it failed to consider that, through its President, PhilHealth can withdraw an HCP's accreditation.<sup>89</sup> PhilHealth cited several provisions of the law and the RIRR to support its argument.<sup>90</sup>

*First*, PhilHealth cited Sec. 31 of the NHIA, which reads:

SECTION 31. *Authority to Grant Accreditation.* — The Corporation shall have the authority to grant to health care providers accreditation which confers the privilege of participating in the Program.

*Second*, Sec. 53 of the RIRR, discussed above, was also cited.

*Third*, Sec. 62 (c) and (e) of the RIRR, which provides:

SECTION 62. *Process of Accreditation for Health Care Professionals.* — The following is the process for all health care professionals for them to be accredited:

- a. ...
- b. ...
- c. The Corporation shall determine the period of accreditation and reserves the right to issue or deny accreditation after an evaluation of the capability and integrity of the health care professional.
- d. ...
- e. All matters pertaining to accreditation shall be decided by the Accreditation Committee whose decision shall become effective upon approval by the President and CEO. Such decision may be the subject of a motion for reconsideration to be filed with the Accreditation Committee. Only one motion for reconsideration.

*Finally*, Sec. 38.7 of the Implementing Rules and Regulations of Republic Act No. 11223 or the *Universal Health Care Act*, which reads:

38.7 PhilHealth shall prescribe the definitions of specific offenses of health care providers and members, rules on administrative cases, and the period to resolve from investigation to the resolution of the cases including Rules on Preventive Suspension, Withdrawal of Contract or Accreditation, and Temporary

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<sup>89</sup> *Rollo*, p. 66.

<sup>90</sup> *Id.*

Suspension of Payment of claims pending investigation; *Provided*, That non-compliance with the policy on no co-payment, co-payment and co-insurance shall likewise be penalized.

**We find that a plain reading of the cited provisions does not grant the PhilHealth President any quasi-judicial power of revocation or withdrawal of an accreditation.**

With regard to Sec. 62 (e) of the RIRR, PhilHealth also invoked PhilHealth Board Resolution No. 2778, series of 2017<sup>91</sup> to impress upon this Court that the PhilHealth President has a blanket authority to “finally decide all accreditation matters cited under Rule II of the RIRR which includes its withdrawal under Sec. 53 of such rules.”<sup>92</sup>

A clause in PhilHealth Board Resolution No. 2778, series of 2017<sup>93</sup> states:

**WHEREAS**, at the Special Board Meeting on 16 August 2016, **the Board agreed with the recommendation of the CAAC that decisions of the Accreditation Committee involving health care providers shall no longer be appealable to the CAAC and the Board, and should be resolved with finality at the level of the President and CEO;** (Emphasis supplied)

We further quote PhilHealth’s arguments in the Petition:

**Section 62 [(e)] of the RIRR is explicit that clearly, all matters pertaining to accreditation, which includes the approval of application for accreditation (whether original, continuous, re-accreditation), and the denial or withdrawal of accreditation, which are outside of quasi-judicial process are approved only by the PhilHealth President and CEO, and not by the PhilHealth Board.**

The RIRR was itself approved by the PhilHealth Board in its Resolution [No.] 1843; [s]eries of 2013. **Thus, the PhilHealth Board through the RIRR delegated to the President and CEO the resolution of all accreditation matters.** It is, therefore, erroneous to conclude that the President and CEO had no authority to approve the withdrawal of accreditation.<sup>94</sup> (Emphasis supplied)

**We disagree with PhilHealth on its interpretation of the RIRR and the quasi-judicial powers of the PhilHealth Board.**

<sup>91</sup> *Id.* at 144. Titled “Resolution Approving the Proposal that Accreditation Cases shall be Resolved with Finality at the Level of the President and Chief Executive Office, and Amending Board Resolution No. 1937, s. 2015, for the Purpose.”

<sup>92</sup> *Id.* at 69–70.

<sup>93</sup> *Id.* at 144. Titled “Resolution Approving the Proposal that Accreditation Cases shall be Resolved with Finality at the Level of the President and Chief Executive Office, and Amending Board Resolution No. 1937, s. 2015, for the Purpose.”

<sup>94</sup> *Id.* at 70. (Citations omitted)

Furthermore, in the RIRR, a separate section pertains to the accreditation of health care institutions and uses a similar language to Sec. 62 (e) of the RIRR. For ease of reference, the mirror provisions are reproduced and contrasted below:

Section 59. <i>Guidelines on the Accreditation of Health Care Institutions.</i>	Section 62. <i>Process of Accreditation for Health Care Professionals.</i>
All matters pertaining to accreditation shall be decided by the Accreditation Committee whose decision shall become effective upon approval by the President and CEO. <b>Only decisions on application for basic participation</b> may be the subject of a motion for reconsideration to be filed with the Accreditation Committee. Only one motion for reconsideration shall be entertained. <sup>95</sup> (Emphasis supplied)	All matters pertaining to accreditation shall be decided by the Accreditation Committee whose decision shall become effective upon approval by the President and CEO. <b>Such decision</b> may be the subject of a motion for reconsideration to be filed with the Accreditation Committee. Only one motion for reconsideration shall be entertained. <sup>96</sup> (Emphasis supplied)

In giving full effect to the RIRR, and its related statutes, We find that the CA correctly interpreted these provisions and ruled that the application for basic participation and withdrawal or revocation of accreditation are distinct and separate processes.<sup>97</sup>

It is settled in jurisprudence that all parts of a statute are to be harmonized and reconciled so that effect may be given to each and every part thereof, and conflicting intentions in the same statute are never to be supposed or so regarded, unless forced upon the court by an unambiguous language.<sup>98</sup>

We apply such judicial precept to the case at bar.

**We emphasize that the basic application for accreditation is separate and distinct from the withdrawal or revocation of accreditation. While the basic application for accreditation can be resolved by the PhilHealth President and CEO, only the PhilHealth Board, exercising its quasi-judicial power, can act on the withdrawal or revocation of accreditation.**

Applied to the case at bar, the withdrawal or revocation of Dr. Galauran's accreditation was arbitrary and without lawful authority. It is therefore a patent nullity.

<sup>95</sup> See RIRR of the NHIA, sec. 59 (e).

<sup>96</sup> See RIRR of the NHIA, sec. 62 (e).

<sup>97</sup> *Rollo*, pp. 18-48.

<sup>98</sup> *People v. Garcia*, 85 Phil. 651, 654-655 (1950) [Per J. Tuason, *En Banc*].

*PhilHealth violated Dr. Galauran's constitutional right to due process when it failed to furnish a copy of the material document showing that Dr. Gaularan allegedly received the amount of PHP 6,650.00*

In *Quezon City Eye Center v. Philippine Health Insurance Corp.*,<sup>99</sup> We ruled that PhilHealth violated Quezon City Eye Center's right to due process when it did not furnish the latter a copy of the resolution finding a *prima facie* case against it.<sup>100</sup> We elucidated that "a minimum standard of due process is the ability of the affected party to know the case it has to meet."<sup>101</sup> Thus, it was not enough that Quezon City Eye Center was given a reasonable opportunity to file its answers to various complaints filed by the FFIED with the PhilHealth Prosecution Department, as PhilHealth's own procedural rules required a resolution finding a *prima facie* case.<sup>102</sup>

In the same case, this Court had the opportunity to emphasize the importance of due process:

**The reason is that petitioner or any party similarly situated is entitled to know the case it has to meet.** This information is found in the prosecutor's resolution that contains the evaluation, discussion, and analysis of the allegations in the complaint-affidavit, the defense of the health care provider or facility in its answer, and the evidence presented by both complainant and health care provider or facility. This resolution gives the reasons for the prosecutor's determination of a *prima facie* case. **The health care provider or facility will be unable to meet its case if it has no copy of the prosecutor's resolution. It is as basic as that. Due process dictates that the health care provider or facility must be furnished a copy of the resolution of the prosecutor.** PhilHealth must also make this resolution available to the health care provider or facility by giving the latter a copy thereof from the moment it is ready to be submitted for review by its SVP-LS.

This component right of due process is made more imperative by the fact that the resolution is virtually final the moment it is released by the investigating prosecutor. Notably, there can be no motion for reconsideration of the resolution of the prosecutor and the 2013 IRR does not provide any remedy for the respondent to question the resolution. **PhilHealth's act of denying petitioner a copy of this resolution therefore is a violation of petitioner's right to due process; and was thus correctly challenged through the petitions for certiorari** which petitioner had initiated even while proceedings were ongoing at the PhilHealth Arbitration Office.<sup>103</sup> (Emphasis supplied)

<sup>99</sup> G.R. Nos. 246710-15, February 6, 2023 [Per J. Lazaro-Javier, Second Division].

<sup>100</sup> *Id.* at 16-19. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

<sup>101</sup> *Id.* at 16. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

<sup>102</sup> *Id.* at 17. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

<sup>103</sup> *Id.* at 18-19. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

Applied analogously to the case at bar, We agree with the CA that Dr. Galauran was denied his constitutional right to due process. PhilHealth failed to furnish a copy of the document showing that Dr. Gaularan allegedly received the amount of PHP 6,650.00 from its office.<sup>104</sup> Thus, even if Dr. Gaularan had numerous opportunities to be heard on the matter of his accreditation, as argued by PhilHealth in its Petition,<sup>105</sup> the omission of a material document constituting the charge against Dr. Galauran violated his right to due process.

Such omission, coupled with the fact that PhilHealth's own documentary evidence failed to substantially establish the violations of Dr. Galauran, prove that PhilHealth violated Dr. Galauran's right to due process. To recall, the documentary evidence presented by PhilHealth revealed that: (1) the deceased patient's attending physician was a certain Dr. Natividad, not Dr. Galauran; and (2) the computer-generated report only showed Dr. Galauran's name in the column of list of professionals, and proved that he did not prepare any report for Albante.<sup>106</sup>

Again in *Quezon City Eye Center*, We ruled that the factual findings of administrative agencies are generally accorded respect and finality when it is not tainted with unfairness or arbitrariness that would amount to abuse of discretion or lack of jurisdiction.<sup>107</sup>

Here, PhilHealth utterly failed to prove by substantial evidence that Dr. Galauran violated Secs. 162 and 163 of the RIRR. In fact, the PhilHealth Arbitration Office dismissed the case against him for insufficiency of evidence.<sup>108</sup>

The Court will not penalize HCPs when there is a clear lack of evidence to support a finding of administrative liability for Misrepresentation by Furnishing False or Incorrect Information under Sec. 162 of the RIRR, and Breach of the Warranties of Accreditation/Performance Commitment under Sec. 163 of the RIRR. We will not deprive the public of their right to health and patient care services, as well as the chance to have a better quality of life and well-being.<sup>109</sup>

**ACCORDINGLY**, the Petition for Review on *Certiorari* is **DENIED**. The Decision dated September 13, 2023, and the Resolution dated December 13, 2023, of the Court of Appeals in CA-G.R. SP No. 169097 are **AFFIRMED**.

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<sup>104</sup> *Rollo*, p. 26.

<sup>105</sup> *Id.* at 78-83.

<sup>106</sup> *Id.* at 26.

<sup>107</sup> G.R. Nos. 246710-15, February 6, 2023 [Per J. Lazaro-Javier, Second Division] at 21. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

<sup>108</sup> *Rollo*, p. 17.

<sup>109</sup> *Quezon City Eye Center v. Philippine Health Insurance Corp.*, G.R. Nos. 246710-15, February 6, 2023 [Per J. Lazaro-Javier, Second Division] at 27. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

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**SO ORDERED.**

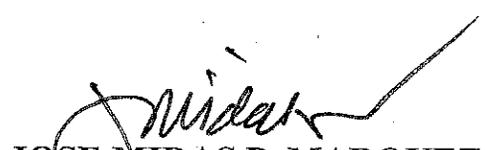
  
**RAMON PAUL L. HERNANDO**  
Associate Justice

**WE CONCUR:**

  
**ALEXANDER G. GESMUNDO**  
Chairperson  
Chief Justice

  
**RODIL V. ZALAMEDA**  
Associate Justice

  
**RICARDO R. ROSARIO**  
Associate Justice

  
**JOSE MIDAS P. MARQUEZ**  
Associate Justice

### CERTIFICATION

Pursuant to Article VIII, Section 13 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.

  
ALEXANDER G. GESMUNDO  
Chief Justice

**CERTIFIED TRUE COPY**

**MARIA TERESA B. SIBULO**  
• DIVISION CLERK OF COURT  
OCC-FIRST DIVISION

**CERTIFIED TRUE COPY**

**MAKIN SIBULO**  
CLERK OF COURT  
COURT DIVISION