

EN BANC

[G.R. No. 182604, September 27, 2016]

DR. ROLANDO B. MANGUNE, DR. RENE A. ARCE AND EMMA E. TAÑAFRANCA, IN THEIR RESPECTIVE PERSONAL CAPACITIES AND AS ATTORNEYS-IN-FACT FOR AND IN BEHALF OF DR. VIRGINIA M. AGUILAS, ROLANDO R. ANATALIO, DR. LEA M. DE LEON-ASI, CATALINO N. ATANACIO, JR., JULIANA M. BATALLER, MA. LUISA B. CAÑEZA, LILIAN C. CANILAO, RANIEL S. CAPADA, FLORENDO A. DAYUS, JENNIFER D. PAGULAYAN, BIENVENIDO C. DE VILLA, JOSE A. DELOS REYES, CYNTHIA A. DIAZ, ANNA LEAH D. DIPATUAN, MADELAINE M. ESTOCAPIO, DR. MARIA SONIA YEE-FESTIN, MARIO E. FLORENDO, RUEL E. FORTUNADO, NATIVIDAD A. GAMIAO, IRMA Q. ANDAL, CHARITO C. LAZAM, AGNES R. LOVINDINO, EVELYN M. MABAG, RECHILDA B. MACAFE, ZENAIDA M. MADIANGKIT, ANGELICA T. MALAZARTE, DOMINGO P. MANAY, DR. EDGAR ORVEN M. MORTEL, SATURNINO E. QUIBAN, MARITES J. RAMOS, DR. MELINDA S.L. A. RAZALAN, BAITONGGAL L. SAUDAGAL, DR. JOHN ALBERT V. TABLIZO, JULIETA T. TERANIA, ANNIE B. TRINIDAD, JUDY T. AVNER, DR. ROMEO F. UY, AVELONA A. VEA, MINVILUZ G. VERA CRUZ, PEÑAFLOR M. VILLAFLOR, JR., AND DR. LEOPOLDO P. SISON, JR., ALL OF TAGUIG-PATEROS DISTRICT HOSPITAL, PETITIONERS, VS. HONORABLE SECRETARY EDUARDO ERMITA, IN HIS OFFICIAL CAPACITY AS EXECUTIVE SECRETARY, HONORABLE SECRETARY FRANCISCO DUQUE III, IN HIS OFFICIAL CAPACITY AS SECRETARY OF THE DEPARTMENT OF HEALTH, THE CITY GOVERNMENT OF TAGUIG AS REPRESENTED BY ITS MAYOR, HONORABLE SIGFRIDO R. TINGA, AND THE MUNICIPAL GOVERNMENT OF PATEROS, AS REPRESENTED BY ITS MAYOR, HONORABLE ROSENDO CAPCO, RESPONDENTS.

DECISION

JARDELEZA, J.:

Before us is a Petition for Review^[1] assailing the Decision^[2] dated January 2, 2008 (assailed Decision) and Order^[3] dated April 14, 2008 (assailed Order) of the Regional Trial Court (RTC) of Manila, Branch 20 in Civil Case No. 07-116531, upholding the constitutionality of Executive Order No. 567^[4] (E.O. No. 567), issued by then President Gloria Macapagal-Arroyo (President Arroyo) on September 8, 2006.

Facts of the Case

On July 25, 1994, Republic Act No. 7842^[5] (R.A. No. 7842) was enacted establishing, under the administration and supervision of the Department of Health

(DOH), the Taguig-Pateros District Hospital (TPDH).

On September 8, 2006, President Arroyo issued E.O. No. 567 devolving the administration and supervision of TPDH from the DOH to the City of Taguig.^[6] E.O. No. 567 provided that it was issued pursuant to Republic Act No. 7160 (R.A. No. 7160), otherwise known as the Local Government Code of 1991 (Local Government Code) and the President's continuing authority to reorganize the offices under the executive department.

Thus, the City of Taguig, through its then Mayor and respondent Hon. Sigfrido R. Tinga (Mayor Tinga), issued Executive Order No. 053^[7] (E.O. No. 053) dated October 18, 2006 formalizing the plan for the City of Taguig's take-over of the operations of TPDH. The City of Taguig and the DOH subsequently entered into a Memorandum of Agreement^[8] (MOA) dated October 23, 2006 providing the details of the transition and turn-over of the hospital's operations from the DOH to the City of Taguig.

In the meantime, petitioners, who were employees of the DOH assigned to the TPDH, submitted a position paper to the then Secretary of Health, respondent Hon. Francisco Duque III (Secretary Duque), expressing their objections to E.O. No. 567.^[9] The position paper was received by the Office of the Secretary on November 6, 2006.^[10] However, the DOH did not act on the Position Paper.^[11] Petitioners also wrote a letter^[12] to the Office of the President requesting the deferment of the implementation of E.O. No. 567, which also took no action.^[13]

Thereafter, on January 3, 2007, Mayor Tinga issued Executive Order No. 001^[14] (E.O. No. 001) creating the TPDH Management Team which will implement the MOA and directing the creation of an audit team which will conduct an inventory of all the medical supplies, materials, equipment and other documents to be turned-over from the DOH to the City of Taguig.

On January 15, 2007, petitioners filed a Petition for Declaratory Relief^[15] against respondents in the RTC of Manila. On January 26, 2007, petitioners filed an amended Petition for Prohibition and *Certiorari* under Rule 65 of the Rules of Court with prayer for *Ex-Parte* Issuance of 72-hour Temporary Restraining Order (TRO), 20-day TRO and Writ of Preliminary Injunction.^[16] The petition prayed that E.O. No. 567 be declared unconstitutional, illegal and null and void for having been issued in violation of the constitutional principle of separation of powers and with grave abuse of discretion amounting to lack or excess of jurisdiction.^[17]

The RTC denied petitioners' prayer for a 72-hour TRO and 20-day TRO.^[18] As for the Writ of Preliminary Injunction, the RTC, in its Order^[19] dated February 9, 2007, deemed the prayer for the same withdrawn in light of petitioners' manifestation that they are no longer pursuing their prayer for the writ.

On motion^[20] of petitioners and due to the Municipal Government of Pateros' failure to file its Answer to the amended petition despite notice, the RTC declared it in default.^[21]

After the parties filed their respective pleadings, marked their exhibits and identified the issues, the RTC, on July 26, 2007, issued the Pre-Trial Order.^[22] As only legal issues are involved, the RTC directed the parties to file their respective position papers after which, the petition will be submitted for decision.^[23]

Respondents City of Taguig, Executive Secretary Eduardo Ermita and DOH Secretary Francisco Duque III, and petitioners filed their respective position papers.^[24]

Ruling of the RTC

The RTC dismissed the petition and held E.O. No. 567 valid and constitutional.

The RTC held that the issuance of E.O. No. 567 is in accordance with the President's power of supervision over government entities in the executive department.^[25] The RTC also ruled that R.A. No. 7842, which established the TPDH, did not prohibit the devolution of the TPDH's administration and supervision from the DOH to the City of Taguig because the constitutional provision on local autonomy and provisions of the Local Government Code on devolution are impliedly written in R.A. No. 7842.^[26] Further, the Local Government Code provides that any doubt must be resolved in favor of devolution.^[27]

The RTC further opined that petitioners failed to exhaust administrative remedies when they did not seek the intervention of the Civil Service Commission (CSC) with respect to their transfer or reassignment^[28] and when they failed to bring action against the DOH and the Office of the President for their inaction on their objections to E.O. No. 567.^[29]

Petitioners filed a Motion for Reconsideration^[30] which the RTC denied through the assailed Order.

Hence, this petition.

Issues

- I. Whether the doctrine of exhaustion of administrative remedies applies; and
- II. Whether E.O. No. 567 is constitutional.

Ruling

We deny the petition.

The doctrine of exhaustion of administrative remedies does not apply.

The doctrine of exhaustion of administrative remedies provides that a party must first avail himself or herself of all the means of administrative processes afforded him or her before he or she is allowed to seek the intervention of the court.^[31] If resort to a remedy within the administrative machinery can still be made by giving the administrative officer concerned every opportunity to decide on a matter that comes within his or her jurisdiction, then such remedy should be exhausted first

before the court's judicial power can be sought. The premature invocation of the intervention of the court is fatal to one's cause of action.^[32] However, the doctrine admits of exceptions, one of which is when the issue involved is purely a legal question.^[33] As the issue in this case involves the legality of E.O. No. 567, a purely legal question, the filing of the petition without exhausting administrative remedies is justified.

E.O. No. 567 is constitutional.

E.O. No. 567 reads in full:

Executive Order No. 567

DEVOLVING THE TAGUIG-PATEROS DISTRICT HOSPITAL FROM
THE DEPARTMENT OF HEALTH TO THE CITY OF TAGUIG

WHEREAS, Republic Act No. 7842 approved on 16 December 1994 established the Taguig-Pateros District Hospital under the administration and supervision of the Department of Health (DOH);

WHEREAS, under Republic Act No. 7160 otherwise known as the Local Government Code of 1991, local government units (LGUs) shall exercise such powers and discharge such functions and responsibilities as are necessary, appropriate or incidental to efficient and effective provision of basic services and facilities which cover, among others, health services including secondary and tertiary hospitals;

WHEREAS, the President has the continuing authority to reorganize the offices under the executive department;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. The administration and supervision of Taguig-Pateros District Hospital is hereby devolved from the Department of Health to the City of Taguig.

Section 2. All laws, issuances, rules and regulations which are inconsistent with this Order are hereby repealed or modified accordingly.

Section 3. This Executive Order shall take effect fifteen (15) days after its publication in a national newspaper of general circulation.

Done in the City of Manila, this 8th day of September, in the year of Our Lord, Two Thousand and Six.

Petitioners aver that E.O. No. 567 contradicts the constitutional principle of separation of powers as: (1) it amends the Local Government Code, particularly its Section 17(e), which limits devolution of basic services and facilities to local government units (LGUs) to only six (6) months after the effectivity of the law;^[34] and (2) it violates the DOH-issued Implementing Rules and Regulations (IRR) of the Local Government Code which provides that district health offices in the National Capital Region (NCR), including its district hospitals, are exempt from devolution.^[35] Petitioners also argue that E.O. No. 567 violates Republic Act No. 7305^[36] (R.A. No. 7305) because the former did not include provisions for the expenses relative to petitioners' transfer and reassignment.^[37]

Respondents counter that the issuance of E.O. No. 567 is within the President's constitutional power of control over government entities in the executive department, her continuing authority to reorganize the administrative structure of the Office of the President and her constitutional duty to ensure that the laws are faithfully executed. Consequently, the MOA between the City of Taguig and DOH as well as the subsequent executive orders of then Mayor Tinga are valid.^[38]

Administrative or executive acts, orders and regulations shall be valid only when they are not contrary to the laws or the Constitution.^[39] Thus, to be valid, an administrative issuance, such as an executive order,^[40] must comply with the following requisites:

- (1) Its promulgation must be authorized by the legislature;
- (2) It must be promulgated in accordance with the prescribed procedure;
- (3) It must be within the scope of the authority given by the legislature; and
- (4) It must be reasonable.^[41]

E.O. No. 567 satisfies all of the above requisites.

First, E.O. No. 567 itself identifies its statutory and constitutional basis.

E.O. No. 567 was issued pursuant to Section 17 of the Local Government Code expressly devolving to the local government units the delivery of basic services and facilities, including health services, to wit:

Sec. 17. Basic Services and Facilities. -

(a) Local government units shall endeavor to be self-reliant and shall continue exercising the powers and discharging the duties and functions currently vested upon them. **They shall also discharge the functions and responsibilities of national agencies and offices devolved to them** pursuant to this Code. **Local government units shall likewise exercise such other powers and discharge such other functions and responsibilities as are necessary, appropriate, or incidental to efficient and effective provisions of the basic services and facilities** enumerated herein.

(b) Such basic services and facilities include, but are not limited to, the