

Legal Regulation of Multinational Corporate Health Services and Local Legal Obligations

Argho Waluyo, Yeni Vitrianingsih, Rahayu Mardikaningsih, Fayola Issalillah, Dharma Setiawan Negara

Universitas Sunan Giri Surabaya, Indonesia

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ABSTRACT

The provision of health services by multinational corporations presents legal challenges that require strict regulations to protect the public interest. This study aims to analyse the legal aspects of the provision of health services by multinational corporations in Indonesia, with a focus on licensing, accreditation, and local legal responsibilities. The method used is normative juridical through literature study and analysis of laws and regulations governing the health, investment, and corporation sectors. The results of the study show that Indonesian law places licensing and accreditation as the main obligations that determine the legality of health service operations. Multinational corporations are required to adjust their operational standards to national provisions, including service quality standards, patient safety, and health worker management. Local legal responsibilities include compliance with health regulations, personal data protection, consumer protection, financial accountability, and government oversight mechanisms. This legal framework emphasises that the presence of multinational corporations in the health sector does not diminish national legal sovereignty. This study confirms that legal compliance is a key requirement for healthcare services provided by multinational corporations to be legally accepted and sustainable, while also guaranteeing the protection of people's rights to quality and safe healthcare services.

INTRODUCTION

The provision of healthcare services by multinational corporations is an integral part of the globalization of the healthcare sector, which has brought about significant changes in service patterns, management and investment. The presence of multinational corporations in this field is often driven by the need for large amounts of capital, the transfer of cutting-edge medical technology and the implementation of internationally integrated service standards. These dynamics not only change the landscape of conventional services but also reconfigure the relationship between local health systems and global market forces.

The interaction between global forces and local health care systems has become a widespread phenomenon that requires careful and contextual regulatory responses. As reviewed by Khayru (2022), globalization demands a reconfiguration of regulatory approaches to protect the integrity of

services and the rights of the community. Within the national legal system, healthcare services have a special character because they are directly related to the right to health as part of human rights (Saraswati & Zulfa, 2023). Therefore, the entry of multinational corporations into the provision of healthcare services requires careful legal regulation so that business interests do not override the state's obligation to guarantee public health protection.

The national health legal framework must be able to accommodate the involvement of multinational corporations while maintaining regulatory sovereignty and public interests. The main challenge lies in striking a balance between attracting foreign investment and technology while maintaining control over service standards, patient safety, and equitable access. To that end, regulations must be designed as strategic instruments that can filter the benefits of globalization while minimizing its risks, so that the involvement of multinational corporations truly

* Corresponding author, email address: dr.yenivitrianingsih@gmail.com

contributes to strengthening the national health system, rather than weakening it.

In the practice of providing healthcare services, multinational corporations operate through various forms of business entities, such as hospitals, specialist clinics, medical laboratories, and diagnostic service centers. Each of these business forms is bound by licensing requirements and service standards set by the state. Licensing is not merely an administrative requirement, but rather an instrument of state control over quality, patient safety, and the distribution of healthcare services. In the context of multinational corporations, the licensing process becomes more complex because it involves aspects of investment, foreign ownership, and the adjustment of international standards to national regulations (Chen et al., 2022). This complexity necessitates a systematic examination of how health law regulates business licenses for healthcare services provided by multinational entities.

In addition to licensing, healthcare accreditation is an important pillar in ensuring the quality and safety of services. Accreditation serves as an external assessment mechanism of healthcare providers' compliance with established standards. For multinational corporations, accreditation is often understood as an instrument of quality legitimacy that impacts global reputation. However, within the framework of national law, accreditation has a legal meaning related to the obligation to meet minimum service standards and protect patients. This difference in orientation has the potential to cause tension between a business approach and legal health obligations (Zimny, 2011). Therefore, the regulation of accreditation in multinational corporate health services needs to be reviewed to ensure alignment between international standards and national legal provisions.

Local legal responsibility is another aspect that cannot be separated from the provision of health services by multinational corporations. Although owned or controlled by foreign entities, every health service provider operating within national jurisdiction is subject to national law. This responsibility includes responsibility towards patients, health workers, the government, and the community. Ultimately, this legal responsibility must be clearly attributed to the parties involved, both corporate entities and individual healthcare workers. Discussions regarding the attribution of responsibility also arise in the context of the personal relationship between doctors and

patients. As reviewed by Feriadi et al. (2023), the complexity of accountability, including potential criminal liability in therapeutic contracts, shows that clarity regarding the responsible party is a basic prerequisite for effective legal protection for patients. In practice, the structure of multinational corporations often raises issues regarding the division of responsibility between headquarters and local entities (Hallo de Wolf & Toebe, 2016). This lack of clarity can complicate law enforcement in the event of a breach of service standards or medical disputes. Therefore, the aspect of local responsibility needs to be analyzed juridically to ensure legal certainty and the protection of patients' rights.

The provision of health services by multinational corporations is also related to the relationship between the state and the market in an essential sector. The state has an obligation to regulate and supervise health services to ensure they remain affordable, high-quality and safe. On the other hand, multinational corporations operate with a logic of efficiency and business sustainability. The interaction between these two interests requires legal regulations that are able to maintain a balance between public and business interests. Without clear and firm regulations, there is a risk of business interests dominating healthcare services, which could ultimately harm the community (Dyomin, 2023).

Based on this description, the legal aspects of the provision of healthcare services by multinational corporations include the interrelated issues of licensing, accreditation, and local responsibility. These three aspects form a legal framework that determines the legality of the provision of healthcare services by multinational entities. A normative legal study is needed to understand how national health laws regulate the involvement of multinational corporations and how these provisions are implemented in practice. A systematic understanding of these legal aspects is expected to provide a basis for the development of regulations and practices for the provision of healthcare services that are in line with the public interest.

The provision of health services by multinational corporations raises issues regarding the legal certainty of health business licensing (Chapman, 2014). Licensing involving aspects of foreign investment, business risk classification, and central and regional government authority often gives rise to differences in interpretation. This situation has the potential to create uncertainty for healthcare service providers and

the government as the supervisory authority, thus requiring a comprehensive normative explanation of the position of licensing in multinational corporate healthcare services (World Health Organisation, 2000).

Another issue relates to the accreditation of healthcare services provided by multinational corporations (Toebes & Hallo de Wolf, 2015). International accreditation standards adopted by corporations are often positioned as a guarantee of quality, but they are not always identical to the national standards required by health law. These differences in standards can raise issues regarding the validity of services and patient protection in the event of disputes or alleged violations of service standards (Donabedian, 2003).

In addition, local legal responsibility is a crucial issue in the provision of healthcare services by multinational corporations. Cross-border ownership and control structures can make it difficult to determine the legal entity directly responsible for patient harm or regulatory violations. This ambiguity has the potential to weaken legal protection for patients and healthcare workers, as well as hinder the enforcement of national health laws (Gostin, 2008).

Discussions on the legal aspects of healthcare provision by multinational corporations are important due to the increasing involvement of foreign capital in the healthcare sector. This situation requires clear legal regulations so that healthcare provision remains in line with the principles of public health protection and national regulatory sovereignty (Barrett, 2022).

In addition, developments in medical technology and cross-border healthcare business models have expanded the scope of healthcare provision (Gupta, 2023). Without a clear legal framework, there is a risk of inconsistency between healthcare practices and national legal obligations. This risk is even more apparent with the rapid pace of technological innovation (Nurhefi et al., 2023). Khayru's (2022) study on the transformation of healthcare services through the power of artificial intelligence, for example, shows that the accelerated adoption of advanced technology must be accompanied by the renewal and enforcement of a legal framework to regulate accountability, standards, and data protection, in order to ensure that the benefits of innovation are in line with patient protection. Therefore, this study is relevant to strengthening legal certainty and patient protection.

This study aims to analyses the legal regulations regarding the licensing and

accreditation of healthcare services provided by multinational corporations and to explain the forms of local legal responsibility attached to healthcare providers. Theoretically, this study enriches the study of health law regarding the involvement of multinational corporations. Practically, this research is expected to serve as a reference for policymakers and healthcare providers in ensuring legal compliance and patient protection.

RESEARCH METHOD

This study uses a normative legal approach with a qualitative literature review design. This approach was chosen because the focus of the study lies on the legal norms governing the provision of health services by multinational corporations, particularly in relation to licensing regulations, accreditation, and local legal responsibilities. The analysis was conducted on primary legal materials in the form of applicable laws and regulations, as well as secondary legal materials in the form of academic literature discussing legal and health research methodologies. This approach enabled researchers to interpret legal norms systematically and coherently so as to explain the relationship between legal rules and the practice of health service provision. Within this framework, law is understood as a system of norms that govern the behavior of legal subjects and form the basis for assessing the legality of the actions of healthcare providers.

The process of collecting legal materials was carried out through targeted literature searches using search strategies based on themes and keywords relevant to health law, healthcare licensing, accreditation, and corporate legal responsibility. Inclusion criteria were established to ensure that the sources used were directly relevant to the subject matter and had been legally published. Popular, unverified, or non-academic literature was excluded from the analysis. All legal materials collected were then classified based on type, hierarchy, and substance of regulation. This process aims to build a coherent analytical structure and avoid overlapping discussions between the legal aspects being studied.

Data analysis was conducted using thematic synthesis and legal reasoning techniques. Each legal norm was analyzed based on its normative meaning, regulatory objectives, and implications for the provision of health services by multinational corporations. The quality of the research was ensured by maintaining the consistency of legal logic, the accuracy of terminology, and the

suitability between the formulation of the problem and the results of the analysis. This approach is in line with the principles of research methodology that emphasize clarity of stages, accuracy of reasoning, and scientific accountability, so that the research results can be academically accountable and relevant to the development of health law (Darmawan, 2015).

RESULT AND DISCUSSION

Legal Regulations on Licensing and Accreditation of Health Services by Multinational Corporations

Health service licensing for multinational corporations reflects the application of the principle of state sovereignty in public health governance. Legal regulations on health service licensing conducted by multinational corporations in Indonesia are based on the principle of state sovereignty over public health services. Law No. 36 of 2009 on Health places the state as the main controller of health service governance through a mandatory licensing mechanism for all service providers, regardless of capital ownership (Marif & Bakhtiar, 2021). The principle of equitable access, which is at the core of this state obligation, is highly relevant to the study by Nalin et al. (2022) on the impact of social disparities on public health. The study shows that policies and control mechanisms such as licensing must be designed not only to ensure technical standards but also to actively address access gaps and improve service equity for all community groups. This means that the state has a responsibility to protect the right to public health, while also providing adequate and accessible health facilities for the community (Hariri et al., 2021). This provision reflects a public law approach that places health as a public interest that must be managed responsibly.

The government is obliged to implement affordable, fair and equitable health services for the entire community. To that end, the government needs to make efforts to ensure equal access for all people to health services (Arimbi, 2020). Multinational corporations entering this sector must comply with the national legal framework from the business planning stage, through the establishment of legal entities, to the operational delivery of services. The role of state control through legal instruments in ensuring access to and quality of these services is part of the overall effectiveness of the national legal system. As reviewed by Vitrianingsih and Issalillah (2021), the effectiveness of the legal system in dealing with public health crises depends on its ability to

respond to public needs fairly and decisively, which is realized, among other things, through strong regulatory and supervisory mechanisms for all service providers. Licensing is a legal instrument that serves to screen institutional feasibility, resource readiness, and compliance with health service standards. Through licensing, the state ensures that health business activities are in line with the objectives of public protection, patient safety, and equitable service distribution. Thus, licensing is not positioned as a mere administrative procedure, but as a mechanism of state control over private activities that have a direct impact on the basic rights of citizens. This licensing instrument opens up space for further study on the state's control function over health service standards.

The investment regime provides a legal framework that determines the conditions for foreign corporate participation in the health sector. The licensing dimension for multinational corporations in the health sector cannot be separated from the legal regime for investment. Law No. 25 of 2007 concerning Investment and Law No. 11 of 2020 concerning Job Creation open up opportunities for foreign capital participation in the health sector with requirements determined by implementing regulations (Ramadhani, 2022). This regulation emphasizes that investment openness is not absolute but is bound by the interests of public protection. Government Regulation No. 5 of 2021 concerning Risk-Based Business Licensing classifies health service businesses as high-risk activities. Consequently, multinational corporations are required to meet multiple licensing requirements involving technical assessments, facility evaluations, adequate health personnel, and service management systems. This scheme places the Ministry of Health as the substantive authority that assesses operational feasibility. With this model, licensing laws function as a preventive instrument to prevent the entry of health service providers that do not meet national standards, while ensuring that investment interests do not neglect service safety and quality. This layered regulation emphasizes that health investment is only valid if it is in line with national standards and public interests.

Hospital accreditation serves as a legal mechanism that ensures consistent quality of healthcare services. Healthcare accreditation is the second legal pillar after licensing that binds multinational corporations. Minister of Health Regulation No. 34 of 2022 concerning Hospital Accreditation stipulates that every hospital must undergo a periodic quality assessment process as a

condition for the continuation of its operating license (Tunga, 2023). Accreditation is not positioned as a voluntary activity, but rather a legal obligation inherent to service providers. Through accreditation, the state sets national service standards that must be complied with by all hospitals, including those owned or managed by multinational corporations. These standards cover patient safety, clinical governance, facility management, and patient rights protection. The existence of international standards brought by multinational corporations does not necessarily replace national standards. Indonesian health law requires full compliance with domestic norms as a prerequisite for legality. Thus, accreditation becomes an instrument for harmonizing global practices and national needs, as well as a means of continuous service quality control. Operational sustainability depends on compliance with national standards.

Digital transformation in healthcare requires regulations that ensure legal compliance is maintained. Legal regulations also cover technology-based healthcare services provided by multinational corporations. Minister of Health Regulation No. 20 of 2019 concerning the Implementation of Telemedicine Services between Healthcare Facilities stipulates that telemedicine can only be carried out by healthcare facilities that have an operational license in Indonesia. Thus, the expansion of service access promised by technology, as reviewed by Khayru and Issalillah (2022); Sasmita et al. (2023) on the role of telemedicine in equity, should not ignore the existing regulatory framework. These studies highlight that the challenges of implementing telemedicine underscore the importance of orderly integration with the applicable licensing system and standards to ensure the safety, quality, and accountability of services.

This provision emphasizes that technology does not eliminate basic legal obligations in the provision of health services. Multinational corporations that provide digital health platforms are required to establish legal relationships with licensed local health facilities. In addition, patient data management must comply with Law No. 27 of 2022 on Personal Data Protection. This regulation places data protection as a legal obligation inherent to service providers. Thus, licensing and accreditation laws are expanded in scope to respond to technological developments without compromising the principles of prudence and patient protection. Technological innovation is

only valid if it is in line with the principles of prudence and patient protection.

Health workforce regulations emphasize that individual competence is a key element in the licensing and accreditation system. The health workforce is an integral part of licensing and accreditation regulations. The Health Act and the Health Workforce Act require that all health workers practicing in Indonesia must be registered and licensed. Multinational corporations employing foreign health workers are not exempt from this requirement. All foreign personnel must meet the requirements for competency, registration, and licensing in accordance with national regulations. These regulations emphasize that the quality of health services is not determined solely by facilities or technology, but rather by the competency of the individuals providing the services. By making healthcare personnel subject to licensing, the state ensures that service standards are applied consistently. The accreditation of healthcare facilities also assesses institutional compliance with human resource management, so that licensing and accreditation complement each other in maintaining service quality. This provision closes the loophole that service quality depends on the compliance of healthcare workers with national standards.

Regulations on foreign ownership in the healthcare sector emphasize the close interaction between economic law and health law. The ownership structure of multinational corporations in the health sector is regulated through Presidential Regulation No. 10 of 2021 concerning Investment Business Fields. This regulation opens the hospital sector to foreign ownership under certain conditions. Although foreign ownership can reach full ownership, licensing and accreditation requirements remain strictly attached. The state uses this legal instrument to ensure that capital control does not lead to the neglect of public interests. These ownership regulations demonstrate that health law interacts closely with economic law, but still prioritizes the protection of the community. In practice, any changes in ownership structure must be reported and re-evaluated through a licensing mechanism. This shows that a license is not merely an initial entry point, but an instrument of continuous supervision of healthcare service providers. Licenses serve as a tool for continuous control over multinational corporate ownership.

Licensing and accreditation supervision demonstrates the multi-layered role of state institutions in maintaining the quality of health

services. Supervision of the implementation of licensing and accreditation is carried out by various state institutions in accordance with their respective authorities. The Ministry of Health is authorized to provide guidance and technical supervision of health facilities, while other institutions such as the Financial Services Authority are involved in aspects of health financing and insurance. This comprehensive state oversight function is highly relevant to ensuring access to and quality of services for all community groups, including vulnerable populations. This is in line with the study by Wuryani et al. (2023), which underlines the importance of an integrated oversight framework to protect patients' rights from potential violations or discrimination within the system. This division of authority reflects an administrative law approach that places supervision as a multi-layered function of the state. Accreditation is a periodic evaluation tool that provides feedback on service quality. For multinational corporations, this mechanism requires continuous compliance, not momentary compliance. Failure to meet accreditation standards can result in administrative sanctions, operational restrictions, and even revocation of licenses. Thus, licensing and accreditation laws form an integrated and continuous oversight system. Continuous compliance is a key requirement for the operational sustainability of multinational corporations.

The provisions on sanctions for licensing and accreditation violations reinforce the legal position as the controller of compliance for healthcare service providers. Legal responsibility for licensing and accreditation violations is clearly regulated in the Health Law. Healthcare service providers operating without a license or failing to meet accreditation standards may be subject to administrative and criminal sanctions. For multinational corporations, these provisions have significant implications as sanctions can impact the sustainability of investments and global reputation. Indonesian health law does not distinguish between domestic and foreign legal entities in the application of sanctions. The principle of equality before the law is consistently upheld. Thus, compliance with licensing and accreditation is part of legal risk management that multinational corporations must consider from the outset of establishing a business. Business sustainability depends on consistent compliance with national regulations.

Consumer protection emphasizes that the quality of healthcare services depends not only on licensing but also on accreditation. Consumer

protection in healthcare services also strengthens the position of licensing and accreditation. Law No. 8 of 1999 on Consumer Protection guarantees the public's right to safe and quality services. Accreditation serves as a legal guarantee that healthcare facilities meet the standards set by the state. For multinational corporations, accreditation is an instrument of operational legitimacy that strengthens public trust. Without accreditation, healthcare services could potentially be viewed as violating consumer rights. Thus, consumer protection law and health law are interrelated in shaping the legal obligations of service providers. The integration of these two legal regimes affirms the obligation of service providers to guarantee the public's right to health.

The normative framework of licensing and accreditation demonstrates the state's orientation towards balancing investment with the public interest. Normatively, licensing and accreditation regulations reflect the state's efforts to maintain a balance between openness to investment and protection of the public interest. Multinational corporations are given space to contribute through capital and technology, but are required to comply with the national legal system. This balance is also reflected in the utilization of medical innovations. Sarif and Issalillah's (2022) study on the transformation of health services through medical technology highlights that the integration of new technology still requires a strong regulatory framework to optimize opportunities and manage challenges, to ensure that technological advances are subject to the principles of safe and patient-centered care. Licensing ensures operational legality, while accreditation guarantees sustainable quality. These two instruments form a binding and inseparable legal framework. Through these regulations, the state affirms that the health sector cannot be treated as a normal business sector, but rather as an area that concerns basic human rights. Health services are positioned as a strategic sector directly related to the basic rights of citizens.

The implementation of licensing and accreditation has a direct impact on the formation of internal governance of multinational corporations. In practice, the existence of licensing and accreditation encourages multinational corporations to develop internal governance that is in line with national regulations. Operational standards, risk management, and internal supervision are established to ensure ongoing compliance. This approach shows that licensing and accreditation laws have a normative effect that goes

beyond administrative aspects. They shape organizational behavior and the orientation of healthcare management. With such compliance, multinational corporations can conduct their business activities legally and sustainably. Business sustainability can only be achieved through compliance with national regulations.

Ultimately, the legal regulation of licensing and accreditation of healthcare services for multinational corporations demonstrates the protective and public interest-oriented nature of Indonesian healthcare law. The state is open to global capital and technology participation, but sets clear and binding legal boundaries. This approach reflects the principle of sovereignty, whereby the presence of foreign entities must not shift the state's primary responsibility to guarantee its citizens' right to health. Thus, the law is not merely an administrative tool, but a strategic instrument that affirms the state's position as the primary protector.

Within this framework, licensing and accreditation serve as key control instruments to ensure that all healthcare services, including those provided by multinational corporations, meet strict national standards. This process is designed not only to screen for technical and institutional eligibility, but also to guarantee patient protection and uphold the principle of fairness in access to services. Through a mechanism of continuous evaluation, the state ensures that commitments to quality and safety are not merely a formality at the outset, but rather an obligation that must be maintained throughout operations.

Overall, this legal framework emphasizes that the globalization of the health sector must take place under the control and supervision of strong national laws. The involvement of multinational corporations is only recognized as legitimate and can continue if it is fully subject to the Indonesian regulatory system. Thus, national law acts as a counterbalance that ensures that global dynamics do not sacrifice the basic interests of the community, while also guaranteeing that foreign investment and innovation contribute to strengthening Indonesia's sovereign and equitable health system.

Local Legal Responsibility of Multinational Corporations in the Provision of Health Services

The right to health as part of public welfare affirms the state's obligations within the constitutional framework. Health is a human right that must be realized by the state as part of public welfare in accordance with the values of Pancasila and the mandate of the Preamble to the 1945 Constitution of

the Republic of Indonesia (Razy & Ariani, 2022). The local legal responsibility of multinational corporations in providing health services in Indonesia is rooted in the principle of state jurisdiction over all activities taking place within its territory. When a multinational corporation provides health services, the international status of the entity does not eliminate its obligation to comply with national law. The Indonesian legal system places health as a basic right of citizens that must be protected by the state and all parties involved in its implementation. This principle is reflected in constitutional provisions that affirm the right of every person to healthcare services. Therefore, every multinational corporation that provides healthcare services bears local legal responsibility to ensure that all of its operational activities are in line with the goal of protecting public health. This responsibility is not voluntary, but automatically attached as a result of the corporation's choice to operate in the field of health services within Indonesian jurisdiction. Thus, national law serves as a normative boundary that regulates the behavior of multinational corporations, regardless of their global structure or internal standards. Multinational corporations are required to adjust their operations to the normative boundaries of national law.

The Health Law provides a normative basis that binds all service providers regardless of the origin of their capital. Law No. 36 of 2009 on Health is the main foundation for determining the form of local legal responsibility of multinational corporations. This law stipulates that every health service facility provider must obtain an operating license and meet quality and safety standards. This obligation applies without exception to the origin of capital or ownership. Multinational corporations that establish hospitals, clinics, or technology-based health services are required to adjust their entire operational structure to the provisions set by the national health authorities. Violations of this obligation result in legal consequences ranging from administrative to criminal penalties. Thus, local legal responsibility is not limited to the initial establishment phase, but continues throughout the operational cycle of health services. This places multinational corporations as legal entities that are fully subject to the national health law regime. Multinational corporations are legal entities that are fully subject to national regulations.

Hospital accreditation serves as a legal instrument that ensures the compliance of multinational corporations with national standards.

The aspect of accreditation strengthens the position of the local legal responsibility of multinational corporations. Minister of Health Regulation No. 34 of 2022 concerning Hospital Accreditation requires every hospital to undergo a periodic quality assessment process. Accreditation is not positioned as a symbolic recognition, but as a legal obligation that determines operational feasibility. Multinational corporations cannot replace national accreditation obligations with their international certifications. Indonesian law places national standards as the main benchmark in ensuring patient safety and service quality. Failure to meet accreditation standards has direct implications for the continuity of operational permits. Thus, accreditation is a concrete manifestation of local legal responsibility that requires multinational corporations to adapt their healthcare practices to the needs and standards of Indonesian society. Operational continuity depends on the suitability of practices to the needs of Indonesian society.

Investment regulations emphasize the principle of localized responsibility for multinational corporations in the health sector. Within the investment framework, the local legal responsibility of multinational corporations is emphasized through Law No. 25 of 2007 concerning Investment and Presidential Regulation No. 10 of 2021 concerning Investment Business Fields. This regulation opens up the health sector to foreign investment on the condition that business activities are carried out through an Indonesian legal entity. This provision reinforces the principle of localization of legal responsibility. Even though the capital comes from abroad, the operating entity is still treated as a national legal subject. Government Regulation No. 5 of 2021 concerning Risk-Based Business Licensing strengthens this obligation by designating the health sector as a high-risk business. Consequently, multinational corporations bear local legal responsibility for complying with strict technical, administrative, and supervisory requirements. Compliance with the investment regime is an integral part of protecting the public interest. Investment compliance serves as an instrument for protecting the interests of the community.

Health worker regulations emphasize that licenses and registrations are the legal foundation for professional practice. Local legal responsibility also includes the management of health workers. Law No. 36 of 2014 on Health Workers emphasizes that every health worker practicing in Indonesia must have a valid license and registration. The main

objective of this regulatory foundation is to protect patients' rights. A study by Herisasono et al. (2023) on the protection of patient rights from a legal and medical ethics perspective emphasizes that licensing and registration requirements are essential legal instruments to ensure that all health workers are competent and adhere to ethical standards that protect the safety and autonomy of patients as service recipients.

Article 1 paragraph (6) of the Health Law in conjunction with Article 1 of Law Number 36 of 2014 concerning Health Workers explains that health workers are anyone who works in the health sector, has knowledge and skills obtained through health education, and in certain types is authorized to provide health services (Giwanatara & Hendrawan, 2021). Multinational corporations involving foreign health workers are obliged to ensure that these workers meet national requirements, including professional competency and ethical standards. This obligation demonstrates that Indonesian law places patient safety above operational efficiency. By requiring foreign workers to obtain a practice license, the state ensures that the quality of services is maintained. Multinational corporations cannot evade local legal responsibilities on the grounds of the global expertise of their healthcare personnel. This rule shows that national standards remain the main reference for foreign health workers.

The aspect of patient data protection shows the expansion of health regulations into the digital legal sphere. The protection of patients' personal data has become an increasingly significant form of local legal responsibility. Law No. 27 of 2022 concerning Personal Data Protection stipulates the obligation for every data controller to maintain the confidentiality and security of personal data. This study shows that the implementation and enforcement of the core principles of the PDP Law, such as personal data security and the accountability of personal data controllers, are both challenges and key pillars in building a trusted digital ecosystem in various sectors (Aziz et al., 2023; Baraja et al., 2023). Multinational corporations that provide digital health services or health information systems are required to implement security policies and technologies in accordance with national regulations. Violations of these obligations result in serious legal sanctions. Thus, local legal responsibilities extend to the digital and information technology realm, emphasizing that technological developments do not diminish the fundamental legal obligation to protect patient

rights. The implementation of these rules ensures that technological innovation remains subject to the principle of protecting patient rights.

Consumer protection places patients at the center of legal interests in the provision of healthcare services. The aspect of consumer protection broadens the scope of local legal responsibility. Law No. 8 of 1999 concerning Consumer Protection guarantees the public's right to obtain safe and quality services. The essence of this right is the fulfilment of patient satisfaction with the services received. This is in line with research by Darmawan et al. (2022); Khayru and Issalillah (2022), which shows that the quality of service directly experienced by patients is a key indicator of the fulfilment of consumer rights to safe and quality services. Multinational corporations are obliged to ensure that the health services provided do not harm patients, in terms of quality, safety, and cost transparency. Failure to fulfil this obligation opens up the possibility of legal liability. Thus, consumer protection laws serve as an additional layer that strengthens the obligations of multinational corporations in the health sector. Local legal responsibility is not only oriented towards administrative compliance, but also towards the direct protection of patients as service users. This principal emphasis's that multinational corporations are obliged to guarantee the safety and quality of services for the community.

Financial accountability affirms another dimension of the legal obligations of multinational corporations in the health sector. Local legal responsibility is also reflected in financial accountability obligations. Law No. 40 of 2007 on Limited Liability Companies requires every company to prepare annual reports and financial statements that are accountable. Multinational corporations incorporated in Indonesia are required to fulfil this obligation without exception. Inaccurate or misleading financial reports may result in legal sanctions. In the health sector, financial accountability is directly related to the use of service funds and patient protection. The concept of a company as a legal entity, where its assets are separate from those of its shareholders, is a characteristic that is considered important for the status of a company as a legal entity that distinguishes it from other forms of companies (Buamona, 2021). Therefore, financial transparency is part of local legal responsibilities that cannot be ignored. Financial transparency is an absolute requirement for the sustainability of health services.

State supervision ensures that health law

standards are consistently implemented by every service provider. Government supervision strengthens the enforcement of local legal responsibilities. The Ministry of Health has the authority to provide guidance and supervision to health care facilities. On the other hand, institutions such as the Financial Services Authority are authorized to supervise aspects of health financing and insurance. Multinational corporations are required to comply with these oversight mechanisms as a consequence of operating in Indonesia. Reporting and periodic audit requirements are legal instruments that ensure ongoing compliance. Thus, local legal responsibilities are not static, but dynamic and continuously evaluated by the state. This shows that the compliance of multinational corporations is always under the active control of the government.

The normative perspective places the law as a tool to balance investment and public protection. In the normative juridical perspective, the local legal responsibility of multinational corporations reflects the principle of balance between investment interests and public protection. The state opens space for global participation in the health sector, but sets clear legal boundaries. Local legal responsibility becomes a mechanism to ensure that economic interests do not sacrifice public safety and rights. With this approach, health law functions as an instrument of social control that protects the public interest. This set of rules demonstrates the function of health law as a guardian of public interests amid the tide of globalization.

Adjustments to internal governance are a direct consequence of the application of local legal responsibility. The application of local legal responsibility encourages multinational corporations to adjust their internal governance to national regulations. Internal policies, operational standards, and monitoring systems are developed to meet applicable legal obligations. This shows that national law has a strong binding force on organizational behavior. With such compliance, multinational corporations can conduct their business activities in a sustainable and lawful manner. This alignment confirms that business sustainability depends on compliance with national regulations.

The set of local legal obligations forms a comprehensive system for multinational corporations in the health sector. Ultimately, the form of local legal responsibility of multinational corporations in the provision of health services in Indonesia includes compliance with licensing,

accreditation, health worker regulations, personal data protection, consumer protection, financial accountability, and state oversight mechanisms. This legal framework ensures that the presence of multinational corporations provides tangible benefits to society and does not erode basic rights to health. Local legal responsibilities serve as a balance between global interests and national obligations, so that healthcare services continue to operate within a legal framework that protects the public. These rules as a whole emphasize that global participation is only valid if it is in line with national public interests.

CONCLUSION

The provision of health services by multinational corporations is subject to strict and comprehensive national legal regulations. Indonesia's legal framework places licensing, accreditation, and local legal responsibility as the main instruments to ensure that health services are provided in accordance with the objective of protecting the public. Multinational corporations, despite bringing global capital and standards, are still treated as subjects of national law that must comply with regulations on health, investment, employment, personal data protection, consumer protection, and corporate governance. These regulations demonstrate that national law serves to maintain service quality, patient safety, and legal certainty for all stakeholders. Thus, the presence of multinational corporations in the health sector can only be justified if all national legal obligations are consistently fulfilled.

The legal implications of this regulation emphasize that multinational corporations must align their organizational structure, internal control systems, and operational policies with Indonesian law. Compliance with licensing and accreditation requirements is a prerequisite for business continuity. For the government, the existing legal framework strengthens the functions of supervision and law enforcement to ensure access to safe and quality health services. For the public, these regulations provide assurance that healthcare services provided by global entities remain under state supervision and are in the public interest.

The legal implications of this regulation emphasize that multinational corporations must align their organizational structure, internal control systems, and operational policies with Indonesian law. Compliance with licensing and accreditation requirements is a prerequisite for business continuity. For the government, the existing legal

framework strengthens its supervisory and law enforcement functions to ensure access to safe and high-quality healthcare services. For the public, these regulations provide assurance that healthcare services provided by global entities remain under state supervision and are in the public interest.

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