



Juridical Analysis of the Regulation of Hospital Operational Termination Due to Legal Violations

¹ T.Kusuma, ² B.Santoso

^{1,2} Universitas Padjadjaran, Bandung, Jawa Barat, Indonesia

Article History :

Received date : 2026/01/17

Revised date : 2026/02/05

Accepted date : 2026/03/23

Published date : 2026/04/01



Copyright: © by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (BY NC) license (<https://creativecommons.org/licenses/by-nc/4.0/>).

Abstract

Introduction: Hospitals play a critical role in public health, but legal violations require strict regulatory enforcement, including operational termination. This study addresses the regulatory framework and legal consequences of halting hospital operations due to statutory breaches. **Methods:** This study utilizes a normative juridical research method, analyzing statutory provisions, legal doctrines, and case law related to medical law and administrative enforcement. **Results:** The findings reveal that while the government possesses the authority to terminate hospital operations, the current legal framework suffers from overlapping jurisdictions, vague enforcement criteria, and a lack of standardized procedural safeguards. **Discussion:** The discussion highlights a significant conflict between the administrative necessity of penalizing non-compliant institutions and the constitutional right of citizens to access uninterrupted healthcare. A comprehensive literature review emphasizes that proportional enforcement mechanisms must integrate alternative dispute resolutions and gradual sanctions before resorting to total closure, thereby filling the existing gap between public administrative law and medical ethics. **Conclusions:** This study concludes that the regulatory framework

requires immediate harmonization to balance legal enforcement with public health continuity. It is recommended that policymakers establish a specialized, independent medical regulatory tribunal and draft clear, tiered administrative guidelines to ensure that operational termination remains a measure of last resort. *Keywords:* Hospital Regulation, Operational Termination, Juridical Analysis, Medical Law, Administrative Sanctions.

Introduction

The right to health is a fundamental human right recognized globally and protected under various constitutional frameworks, which places a direct obligation on the state to provide accessible, safe, and high-quality healthcare facilities. Hospitals serve as the primary institutional vehicles for delivering these healthcare services, operating under strict legal, ethical, and clinical standards to ensure patient safety. However, the rapid commercialization of healthcare has occasionally led to severe legal violations by hospital managements, ranging from medical negligence and fraud to operating without valid licenses or failing to meet structural safety codes. When such violations occur, administrative bodies often resort to the extreme measure of operational termination, which effectively closes the facility. This drastic enforcement action raises complex legal questions, as the immediate shutdown of a hospital inherently disrupts ongoing patient care, impacts medical staff livelihoods, and reduces the overall healthcare capacity of a region.

The primary research problems addressed in this study center on how current statutory frameworks regulate the termination of hospital operations and what legal protections exist to mitigate the negative external impacts of such enforcement. Consequently, the objective of this research is to evaluate the consistency, clarity, and proportionality of existing legal mechanisms governing hospital closures due to legal infractions. The benefit of this research lies in its potential to offer comprehensive insights for legal scholars, hospital administrators, and policymakers, paving the way for more balanced regulatory practices that punish non-compliance without jeopardizing public welfare. It is hypothesized that the current legal framework relies too heavily on immediate punitive closures without

adequate transitional mechanisms, thereby inadvertently violating the public's right to health.

A significant research gap exists in contemporary legal literature, which heavily focuses on individual medical malpractice or general corporate liability, while largely ignoring the administrative and procedural complexities of shutting down an entire medical institution. The novelty of this study lies in its specific focus on developing a legal proportionality framework that harmonizes administrative law enforcement with the constitutional right to health services, offering a fresh perspective on structured, tiered sanctions in the medical sector.

Methods

This research employs a normative juridical research method, which is a method focused on analyzing library materials, secondary data, and established legal norms. This approach is chosen because the study aims to examine internal consistency, vertical and horizontal harmonization, and the dogmatic structure of laws regulating hospital operations. The data collection process involves a comprehensive legal literature review, focusing heavily on primary legal materials such as relevant health statutes, ministerial regulations, and administrative court precedents. Secondary legal materials, including law journals, text books, legal dictionaries, and authoritative commentaries, are also analyzed to support the primary sources. The collected data is processed through systemic qualitative analysis, utilizing statutory, conceptual, and analytical approaches. By examining the existing statutes against legal principles such as due process, public interest, and the principle of proportionality, this method allows for a deep, theoretical evaluation of the current regulatory landscape surrounding hospital operational shutdowns.

Results

The results of this study indicate that the power to terminate hospital operations is distributed across multiple tiers of government, creating a fragmented regulatory environment where municipal, regional, and national health agencies often hold overlapping jurisdictions. Statutorily, the grounds for operational termination include severe violations such as practicing without a valid institutional license, employing unlicensed medical professionals, violating environmental biohazard

laws, and committing systemic financial fraud. However, the legal texts fail to provide an explicit, standardized definition of what constitutes a violation severe enough to warrant immediate closure versus one that merits a temporary suspension. Furthermore, the analysis reveals that current enforcement procedures lack robust procedural safeguards for active patients, as there are no statutory mandates requiring the enforcing agency or the violating hospital to arrange for the seamless, safe transfer of critical care or long-term patients to alternative facilities prior to executing a shutdown order. This regulatory vacuum leads to significant legal uncertainty and exposes the state to potential litigation regarding administrative overreach and human rights infringements.

Discussion

The legal discourse surrounding the operational termination of hospitals requires a deep dive into the intersection of administrative law, constitutional mandates, and medical ethics. A thorough literature review reveals that classical administrative law theory grants the state broad police powers to enforce compliance and revoke licenses to protect public order and safety. In the context of healthcare, scholars argue that strict regulatory oversight is non-negotiable because the information asymmetry between healthcare providers and patients makes consumers uniquely vulnerable to exploitation and substandard care. Legal doctrines suggest that when a hospital violates the law, it breaches the public trust and invalidates its operational charter. However, modern administrative law theories introduce the principle of proportionality, which demands that the administrative measures taken by the government must be suitable, necessary, and balanced in relation to the legitimate aim pursued. Shutting down a hospital represents the most severe administrative sanction available, equivalent to an institutional death penalty, and literature suggests it should only be utilized when all other corrective measures have failed or when the continued operation of the facility poses an immediate, catastrophic threat to human life.

The current legal landscape exhibits a severe friction between the enforcement of administrative sanctions and the constitutional guarantee of healthcare access. When an enforcement agency abruptly seals a hospital due to administrative or legal

non-compliance, the immediate victims are not the corporate shareholders, but the patients whose treatment lines are severed and the surrounding community that loses emergency medical coverage. Legal experts note that this creates a paradox where the state, in its attempt to uphold the law and protect patient safety, inadvertently causes greater harm by restricting healthcare availability. Furthermore, the literature highlights that existing regulations do not clearly articulate the right to be heard or the administrative appeal mechanisms available to a hospital prior to the execution of a closure order. This lack of pre-deprivation due process often results in protracted legal battles in administrative courts, during which the hospital remains closed, the infrastructure deteriorates, and public healthcare capacity is permanently diminished.

This study bridges the identified research gap by analyzing these issues through a dual-lens framework of public administrative accountability and human rights law. The prevailing literature has failed to establish a clear legal protocol for managing patients during forced institutional closures. By analyzing comparative legal systems, it becomes evident that advanced jurisdictions utilize independent regulatory boards that can install temporary, state-appointed trustees to manage a non-compliant hospital, thereby rectifying legal and clinical violations internally while keeping the facility open for public use. The novelty of this analysis lies in advocating for a shift from an adversarial, punitive regulatory model to a restorative, supervisory model within medical law, ensuring that legal enforcement acts as a tool for institutional rehabilitation rather than destruction.

Conclusion

This study concludes that the current regulatory framework governing the operational termination of hospitals due to legal violations is highly fragmented, ambiguous, and disproportionate, often resulting in enforcement actions that harm public healthcare access more than they penalize institutional wrongdoing. The lack of tiered administrative sanctions, clear statutory definitions of severe violations, and pre-closure patient protection protocols creates a significant legal vacuum that undermines both the rule of law and the constitutional right to health. To rectify these systemic deficiencies, it is urgently recommended that the legislature amend

the existing health statutes to explicitly introduce a mandatory, progressive system of administrative sanctions, ensuring that total operational termination is strictly reserved as a last resort for irreparable violations. Furthermore, policymakers must establish clear legal guidelines for the mandatory, safe relocation of patients prior to any shutdown, and create an independent medical regulatory tribunal empowered to appoint temporary state trustees to oversee non-compliant hospitals, thereby preserving public health infrastructure while correcting legal non-compliance.

References

- Agustina, R. (2018). *Medical Negligence and Administrative Liability of Healthcare Providers*. Jakarta: Sinar Grafika.
- Black, J. (2021). Principles of Proportionality in Administrative Law Enforcement. *Journal of Administrative Law and Governance*, 14(2), 115-130.
- Directorate General of Health Services. (2024). *Guidelines on Hospital Licensing and Regulatory Enforcement Protocols*. Ministry of Health.
- Hadjon, P. M. (2015). *Protection of Legal Rights Against Administrative Sanctions*. Surabaya: Bina Ilmu.
- Marzuki, P. M. (2022). *Legal Research Methods (Revised Edition)*. Jakarta: Kencana.
- Palmer, S. (2023). Balancing Public Health Access and Statutory Enforcement: A Corporate Medical Analysis. *International Journal of Health Policy and Law*, 29(4), 345-362.
- Sujatmiko, B. (2020). *Indonesian Health Law and Institutional Accountability*. Bandung: Citra Aditya Bakti.