NEGREI
Academic Journal of Law and Governance
Institut Agama Islam Negeri (IAIN)
Curup, Indonesia
ISSN 2775-8621 (p), 2798-3803 (e)
volume 6, number 1, 2026

Disparities in Supreme Court Rulings Regarding the Liability of the Board of Directors of A Limited Liability Company in Cases of Malpractice

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DOI : *http://doi.org/10.29240/negrei.v6i1.16105*

Submitted: Jan 11, 2026; Reviewed: May 29, 2026; Accepted: Aug 04, 2026

Abstract: This study examines the disparity in Supreme Court rulings regarding the application of the principle of corporate director liability in medical malpractice cases. It employs a normative legal research method and a comparative study of Supreme Court Decisions No. 1001 K/Pdt/2017 and No. 1815 K/Pdt/2021. The 2017 Supreme Court decision extended liability to the parent company (PT Kosala Agung Metropolitan) due to its active involvement in supervising the hospital, whereas the 2021 decision limited liability to the operating PT and the treating physician, in this case, who served as both a director and a treating physician. Analysis indicates that the directors of the PT are not automatically liable for medical malpractice by healthcare personnel because their role is managerial, not technical-medical. However, if proven to have been negligent in supervision, establishing standard operating procedures, or ensuring legal compliance, directors may be held personally liable. This disparity in rulings creates legal uncertainty for healthcare services—whether in hospitals or clinics—as well as for directors and patients, particularly regarding the limits of directors' personal liability. The study emphasizes the importance of establishing guidelines for Supreme Court rulings and harmonizing regulations between the Limited Liability Companies Act and the Health Act, so that the application of the principles of corporate and individual liability is more consistent, provides legal certainty, and protects patients' rights in healthcare practice.

Keywords: *supreme court ruling, liability of limited liability company (PT) directors, malpractice*

Introduction

Medical malpractice is one of the complex issues in healthcare that involves various parties, ranging from medical personnel and healthcare institutions to patients and their families. In Indonesia, medical malpractice cases often attract public attention and spark debates regarding the limits of each party's legal liability, as evidenced by the disparity in Supreme Court (MA)

rulings between Supreme Court Decision No. 1001 K/Pdt/2017 and Supreme Court Decision No. 1815 K/Pdt/2021.

In Supreme Court Decision No. 1001 K/Pdt/2017, legal sanctions were imposed not only on the treating physician and the hospital as the direct providers of healthcare services, but were also extended to PT Kosala Agung Metropolitan as the parent company overseeing the hospital. The facts of the case indicate alleged medical negligence at MMC Hospital Jakarta, which led to a claim for damages by the patient. The ruling affirmed that the doctor, the hospital, and the parent company are jointly liable, indicating the judges' view that legal liability may extend to the holding company level if there is a relationship of control or supervision in the provision of healthcare services.

Conversely, in Supreme Court Decision No. 1815 K/Pdt/2021, the Supreme Court took a more restrictive approach in determining the subject of legal liability. In this case, the patient suffered permanent blindness after undergoing eye surgery at the Surabaya Eye Clinic. However, the ruling only imposed liability on the operating physician (Dr. Moestidjab) and PT Surabaya Eye Clinic as the operating legal entity, without extending liability to other parties. Interestingly, the doctor's personal liability in this case was also linked to his concurrent position as the company's director; thus, the liability imposed stemmed not solely from medical malpractice but also from his failure to fulfill management and oversight duties as a company director.

A comparison of the two rulings reveals disparities in the application of legal liability principles, particularly regarding the scope of liability for directors and legal entities in cases of medical malpractice. In the 2017 ruling, the Supreme Court opened the possibility of extending liability to the parent company, whereas in the 2021 ruling, liability was limited to the operating corporation and the treating physician. This discrepancy indicates the absence of consistent parameters for determining when the liability of a corporation and its directors can be extended, thereby potentially creating legal uncertainty for businesses operating in the healthcare sector as well as for patients as the aggrieved parties.

According to Purbacaraka, legal liability arises from the exercise of rights and the fulfillment of obligations by an individual in relation to other legal entities. Every exercise of a right or fulfillment of an obligation, whether carried out properly or not, always involves an element of liability. This principle also applies to the exercise of authority by the board of directors in managing legal entities, including hospitals[1].

Essentially, hospitals are responsible for three things, namely

a. Responsibility related to the duty of care (the obligation to provide good service);
b. Responsibility for facilities and infrastructure;
c. Responsibility for personnel (both medical and non-medical staff) [2]

These three responsibilities are normatively inherent in the legal entity operating the hospital, which in practice is often a Limited Liability Company (LLC). As the body that executes the will and represents the company, the board of directors bears primary responsibility for all policies and operational activities related to healthcare services. Therefore, any negligence in

[1] Purbacaraka, 2010, Perihal Kaedah Hukum, Bandung: Citra Aditya Bakti, hal. 37
[2] J Guwandi, Dokter dan Rumah Sakit, 1992, Jakarta: Balai Penerbit Fakultas Kedokteran Universitas Indonesia, hal. 35

supervision or decision-making that results in harm to patients may give rise to legal liability for the board of directors.

Pursuant to Article 192(3) of Law No. 17 of 2023 on Health (Health Law), "Hospitals established by the community may take the form of a legal entity." This means that private hospitals established by the community cannot exist independently as legal entities but must be affiliated with the organizing legal entity. Private hospitals, as business entities focused on healthcare services, in this case operate within the legal framework of a limited liability company (PT).

This raises questions regarding the limits and scope of the Board of Directors' liability for incidents of medical malpractice committed by medical personnel. As seen in Law No. 40 of 2007 on Limited Liability Companies (LLC Law), provides clear regulations regarding the functions, authorities, and responsibilities of the Board of Directors in managing the company. However, implementation in the specific context of medical malpractice requires in-depth analysis, particularly when the negligence of medical personnel has the potential to cause harm to patients and damage the institution's reputation.

In practice, the lack of clear parameters regarding the limits of liability for the directors of a limited liability company in cases of medical malpractice has led to inconsistent application of the law in court rulings. This situation not only creates legal uncertainty for healthcare providers but also has the potential to undermine the effectiveness of legal protections for patients as the aggrieved party.

This study differs from previous studies, which generally focus on the liability of doctors or hospitals, by focusing on an analysis of disparities in the application of the liability of the directors of limited liability companies and parent companies in Supreme Court decisions. In fact, variations in the application of this principle have the potential to create legal uncertainty in the field of healthcare.

Given this issue, the main research questions in this study are: (1) What form does the liability of the directors of a limited liability company (PT) take in cases of medical malpractice? (2) What are the legal consequences of the disparity in Supreme Court rulings regarding the application of directors' liability in cases of medical malpractice?

Research Method

This study employs a normative legal research method based on the following approaches: 1) The statutory approach, which involves analyzing the provisions of Law No. 40 of 2007 on Limited Liability Companies, Law No. 17 of 2023 on Health, and the Civil Code as the basis for civil liability. 2) A study of Supreme Court decisions, specifically Supreme Court Decision No. 1001 K/Pdt/2017 and Supreme Court Decision No. 1815 K/Pdt/2021.

This normative legal study is a literature review that examines various sources, including primary, secondary, and tertiary legal materials. The data sources consist of secondary data such as legislation, academic works, and the opinions of scholars or predecessors.

Liability of PT Directors for Medical Malpractice

The term "malpractice" is a general term derived from the word "mal," meaning wrong, and "practice," meaning practice. According to the World Medical Association (WMA), medical

malpractice is a doctor's failure to meet standards and/or a lack of skill and/or negligence in treatment and care that causes injury to a patient. [3]

The elements of negligence in medical malpractice generally include four aspects, known as the 4Ds of negligence, namely:

1. Duty refers to a doctor's professional obligation to use all their knowledge and expertise to provide the best possible care for the patient.
2. Dereliction of duty describes a situation where a doctor deviates from their obligations, namely by failing to follow applicable standards as set forth in the Code of Medical Ethics, Professional Standards, Service Standards, or Standard Operating Procedures (SOPs).
3. Direct causation indicates a direct cause-and-effect relationship between the doctor's actions and the harm suffered by the patient. This means that the harm was directly caused by the doctor's negligence, whether committed alone or in conjunction with others.
4. Damage refers to the harm suffered by the patient as a result of the doctor's error or negligence, whether in the form of material or immaterial harm. [4]

Mistakes made by medical personnel, particularly doctors, that result in harm to patients may be classified as a tort (onrechtmatige daad) as provided for in Article 1365 of the Civil Code, which states that … "Any tortious act that causes harm to another person obligates the person whose fault caused such harm to compensate for the resulting damages." Thus, any form of negligence or medical action that deviates from professional standards and applicable operational procedures, to the extent that it causes harm, gives rise to a liability for damages on the part of the party legally responsible for such act, whether the medical professional personally or the healthcare provider corporation.

In civil law, forms of compensation for unlawful acts may include:

1. Nominal damages, which are a sum of money awarded a recognition of a violation of rights, regardless of the extent of material loss.
2. Compensatory damages, which are a payment of a sum of money commensurate with the actual losses suffered by the victim, whether material or immaterial.
3. Punitive damages, which are intended to punish the perpetrator to prevent them from repeating harmful acts in the future. [5]

Damages arising from unlawful acts are generally more severe than those resulting from breach of contract, because individuals are legally required to exercise due care and caution so as not to cause harm to others.[6] In the context of healthcare, the duty of care is a primary standard, as it concerns the safety and lives of patients. Therefore, this principle of care must be embedded

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[3] Muh Endriyo Susila, "Medical Malpractice and Legal Liability: A Conceptual Analysis and Evaluation," *Law and Justice* 6, no. 1 (2021): 46–61, https://doi.org/10.23917/laj.v6i1.11425.

[4] Hendrojono Soewono, *"Protection of Patients' Rights in Therapeutic Transactions*," (Surabaya: Srikandi , 2006), p. 104

[5] Syaiful Badri, Pristika Handayani, and Tri Anugrah Rizki, "Compensation for Acts Against the Law and Default in the Civil Law System,"" *Jurnal Usm Law Review* 7, no. 2 (2024): 978, https://journals.usm.ac.id/index.php/julr/article/view/9440.

[6] Munir Fuady, *"Acts Against the Law: A Contemporary Approach*," (Jakarta: Citra Aditya Bakti, 5th ed., 2017), p. 134.

as a culture in every medical practice to reduce the risk of violations in the provision of healthcare services.

Supreme Court Decision No. 1001 K/Pdt/2017

In Supreme Court Decision No. 1001 K/Pdt/2017, the medical malpractice stemmed from the negligence of the doctor and the hospital in fulfilling their legal obligation to provide complete and truthful information to the patient prior to the medical procedure. The doctor proceeded with the patient's fourth cesarean section without explaining the significant risks associated with the procedure, even though the obligation to provide an explanation and obtain informed consent is clearly stipulated in Article 45 of Law No. 29 of 2004 on Medical Practice, reinforced by Article 293(5) of the Health Law, and constitutes part of the medical profession's standards. The absence of informed consent indicates that the medical procedure was performed in disregard of the patient's right to know the medical consequences, thereby constituting an unlawful act (onrechtmatige daad).

As a result of this negligence, the patient died, which the Supreme Court subsequently ruled constituted malpractice under civil law. The ruling held the doctor and the hospital jointly and severally liable and ordered them to pay non-pecuniary damages of Rp 1 billion to the victim's family. Thus, the malpractice lay not solely in the outcome of the medical procedure, but in the decision-making process that disregarded the principle of due care, professional standards, and the legal obligation to respect the patient's right to accurate information.

In this ruling, liability was extended to the holding company, PT Kosala Agung Metropolitan, on the grounds that the parent company exercises control over MMC Hospital Jakarta. Thus, the court's reasoning extended liability not only to the doctors and the hospital but also to the holding company as the policy controller, which in substance constitutes a form of piercing the corporate veil.

Supreme Court Decision No. 1815 K/Pdt/2021

Unlike in previous cases, the Supreme Court, in this ruling, limited the application of the principle of legal liability solely to the treating physician and the operating company. In Supreme Court Decision No. 1815 K/Pdt/2021, the ruling was based on the physician's failure to fulfill the legal obligation to provide clear, complete, and truthful information to the patient regarding the medical procedure to be performed. Informed consent is a patient's right and a physician's obligation as stipulated in Article 45 of Law No. 29 of 2004 on Medical Practice and further reinforced in Article 293(5) of the Health Law.

In this case, the doctor failed to clearly explain the risks and potential complications of the procedure, so the patient's consent was not based on complete information. Furthermore, the doctor was found to have been negligent in performing the medical procedure because the procedure did not meet professional standards, resulting in serious harm in the form of permanent vision loss for the patient. Based on this, the Supreme Court ruled that the actions of the doctor and the clinic constituted professional negligence that met the elements of a tort (malpractice) and ordered them to pay material and immaterial damages totaling Rp1.26 billion.

In Supreme Court Decision No. 1815 K/Pdt/2021, the judges ruled that the doctor who also served as director of PT Surabaya Eye Clinic (Dr. Moestidjab) was personally liable, in

addition to the company as a legal entity. This indicates that the dual role of a director who also serves as a practicing physician carries dual legal implications: as a medical practitioner who acted negligently and as a corporate officer who failed to ensure that medical service standards complied with regulations.

This ruling reveals a disparity in the allocation of liability among the board of directors. In the 2017 ruling, the directors of the parent company were held primarily liable, whereas in the 2021 ruling, liability was imposed solely on the clinic and the treating physician. This difference in reasoning indicates a disparity in the Supreme Court's rulings regarding the application of the doctrine of piercing the corporate veil and the limits of directors' liability in the context of oversight of healthcare services.

In the context of malpractice, negligence on the part of the board of directors may include: Failing to ensure that medical personnel hold valid licenses and possess the competencies specified in the Health Law. Failing to establish effective internal oversight mechanisms for medical procedures. Failing to ensure that informed consent is obtained prior to medical procedures, as required by Article 293(5) of the Health Law.

According to the theory of fiduciary duty, directors are required to perform their duties in good faith, with full responsibility, and with due care (duty of care). [7]If the board of directors fails to establish standard operating procedures (SOPs), oversee compliance with medical procedures, or allows violations of professional ethics, this may be considered a breach of the legal obligations set forth in Article 97, paragraphs (3) and (4) of the Limited Liability Companies Act, which states that directors are personally liable for the company's losses if they fail to perform their duties.

In practice, the directors' liability in malpractice cases can take two forms:

a. Corporate Liability: A PT, as a corporation, is liable through its corporate assets. This principle generally applies in the context of vicarious liability. [8] In the context of a hospital organized as a PT, the application of the doctrine of corporate liability means that the PT is liable for the negligence of medical personnel working for it, since their legal relationship is based on an employment contract or professional agreement. This is consistent with Article 1367 of the Civil Code, which states:
"A person is liable not only for damages caused by his own acts, but also for damages caused by persons under his care or supervision."

Legal liability for medical malpractice does not stop at medical personnel as the direct providers of healthcare services, but may also extend to the hospital and/or the legal entity operating it. This is consistent with the principle of vicarious liability, namely the employer's liability for the acts of an employee committed within the scope of their employment. In the context of a hospital organized as a limited liability company (PT), the PT, as a legal entity, bears corporate liability for the actions of medical personnel under its supervision.

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[7] Aufa Wira Prakasa Albertus Sentot Sudarwanto, "*Doktrin Fiduciary Duty: Peranannya sebagai Pedoman Pengurusan Perseroan Terbatas oleh Direksi*," *Al-Zayn: Jurnal Ilmu Sosial & Hukum https://ejournal.yayasanpendidikandzurriyatulquran.id/index.php/AlZayn/article/view/993/455* Volume 3Nomor 2 Mei 2025 (Mei 2025): 243, https://doi.org/10.61104/alz.v3i2.993.

[8] Lana Aulia Afiftania and Dian Purnama Anugerah, "The Application of the Principle of Vicarious Liability in the Liability of a Limited Liability Company *(*," 5, no. 3 (2022): 415–34, https://doi.org/10.20473/ntr.v5i3. 40084.

However, since a PT is a legal entity without its own will, the functions of supervision and control are exercised by the company's governing body, namely the board of directors. The provisions of Article 92(1) and Article 97 of the Limited Liability Companies Act affirm that the Board of Directors has the authority and obligation to manage the company in the company's best interests and in accordance with its objectives and purposes, and may be held personally liable if their negligence in performing these duties results in a loss

b. Personal Liability of Directors: Directors may be held personally liable if they are found to have committed serious errors or negligence in the performance of their fiduciary duties, or if circumstances arise that satisfy the doctrine of piercing the corporate veil—that is, the disregard of the principle of separation of liability between the corporation and its board of directors due to abuse of authority or gross negligence. [9]

"Piercing the Corporate Veil" is a doctrine that disregards the principle of separate legal entity (the separation of liability between a limited liability company and its shareholders or parent company) when there are indications of the misuse of a legal entity to evade legal obligations. [10] This doctrine is applied to pierce the corporate veil and hold shareholders or the parent company directly liable.

In Indonesia, this concept is regulated in Article 3 paragraph (2) of the Limited Liability Companies Act, which states that shareholders (or related entities) may be held liable if:
1) The company is used for the personal interests of the shareholders;
2) The corporation acted unlawfully;
3) Shareholders are directly involved in the corporation's unlawful acts.

According to Munir Fuady, examples where the doctrine of piercing the corporate veil may apply include:
1) Unqualified investors;
2) Personal use of the Company's funds;
3) Lack of formalities regarding the company's existence;
4) The presence of fraudulent elements through the misuse of the legal entity. [11]

In that Supreme Court decision, there is a difference in the application of liability. In Supreme Court Decision No. 1001 K/Pdt/2017, the application of piercing the corporate veil is evident in the extension of liability to the parent company, PT Kosala Agung Metropolitan. The judges' reasoning placed greater emphasis on the holding company's managerial control over the hospital; thus, substantively, this constitutes an application of the doctrine of piercing the corporate veil based on control, rather than on abuse of law, and reflects a departure from the principle of separate legal entity in order to protect patients' rights.

Conversely, in Supreme Court Decision No. 1815 K/Pdt/2021, liability was not imposed on the shareholders or the parent company, but was instead limited to the operating corporation (Surabaya Eye Clinic) and the treating physician, who also served as a director. This discrepancy

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[9] *Ibid.,*

[10] M. Pasha Arifin Nusantara, "A Study on the Application of the Piercing the Corporate Veil Doctrine in Sole Proprietorships," *Journal of Law, Humanities, and Politics* 5, no. 4 (2025): 3082–90, https://doi.org/10.38035/jihhp.v5i4.3868.

[11] Munir Fuady. 2002. Doktrin-Doktrin Modern Dalam Corporate Law dan Eksistensi Dalam Hukum.Bandung: Citra Aditya Bakti. Hlm.15

indicates a lack of explicit normative clarity in the Supreme Court's application of the doctrine of piercing the corporate veil, thereby creating legal uncertainty regarding the limits of liability for parent companies and their boards of directors.Accountability among healthcare providers and recipients is closely linked to the legal relationship between healthcare providers (medical personnel [doctors], hospitals, and legal entities [PTs]) and healthcare recipients (patients). The legal relationship in the provision of healthcare services can be seen in the following diagram:

Figure 1. Diagram of the Legal Relationship Between Healthcare Providers and Recipients

The diagram above illustrates the legal relationships between doctors, hospitals, and PT (PT), which are interrelated. Therefore, PT bears corporate liability for all healthcare services provided under its supervision. This liability is based on the principle of corporate liability, under which a legal entity may be held liable for medical acts performed within the scope of its supervision.

As a business unit of a limited liability company (PT) and an institution that manages medical personnel to provide medical services, a hospital is responsible for incidents that occur within its premises, including errors committed by medical personnel while performing medical procedures on patients. This is because the legal relationship between the hospital and the doctor constitutes a form of cooperation or partnership. Therefore, negligence on the part of a doctor may result in liability for the hospital and the PT as a corporation, in accordance with the principle of vicarious liability.

These provisions regarding liability refer to Articles 1365–1367 of the Civil Code. However, more specific regulations governing the legal liability of hospitals are set forth in Article 193 of the Health Law. The implementation of an expanded framework for the legal liability of hospitals is based on six factors, namely:

1. The hospital remains responsible for medical procedures performed by doctors within its premises, regardless of whether the doctor is a permanent employee, a contract employee, or

merely a professional collaborator. The relationship between the doctor and the hospital is an internal one, as both are equally involved in the process of providing medical care to patients and have the authority to supervise and monitor the doctor;

2. The hospital has the authority to supervise and oversee its doctors, including ensuring they work in accordance with applicable professional standards and medical ethics;
3. The hospital's responsibility toward doctors also arises from the legal relationship between the two parties, particularly regarding the implementation of Standard Operating Procedures (SOPs) established by the hospital to ensure the quality of care and patient safety;
4. Hospitals are required to ensure that every doctor working within their facility possesses the necessary competencies and a valid license to practice in accordance with health-related laws and regulations;
5. Hospitals are also responsible for the suitability of the medical facilities and infrastructure used in providing care, as the condition of these facilities significantly impacts the safety and success of medical procedures;
6. The Hospital Supervisory Board is responsible for the supervision and oversight of doctors, ensuring that all medical activities are conducted in accordance with applicable standards and legal requirements.[12]

Meanwhile, the legal relationship between a patient and a hospital is based on a healthcare agreement as stipulated in Article 1320 of the Civil Code regarding the validity of agreements. Meanwhile, the relationship between a doctor and a patient is a therapeutic relationship or a contractual obligation. When viewed in terms of the nature of a therapeutic agreement, it can be classified as an "inspanningverbintenis," which is an obligation to make appropriate efforts to achieve the patient's recovery, without guaranteeing the recovery itself. [13]This means that the doctor does not promise a cure, but is obligated to provide medical services in accordance with professional standards and standard operating procedures.

Based on the explanation above, the legal relationship between a doctor and a patient is based on a contract that is generally set forth in the Civil Code, specifically Book III. To protect the interests of the aggrieved party, any medical error that causes harm to a patient may serve as grounds for a malpractice claim.

These three theories complement one another. Vicarious liability addresses a corporation's external liability for the actions of its agents; fiduciary duty emphasizes the internal responsibility of directors in performing their oversight functions; while piercing the corporate veil serves as a remedial mechanism when the separation of legal entity liability is abused. In the event of malpractice, these three theories form a comprehensive analytical framework for determining the boundaries of legal liability among doctors, hospitals, and the board of directors of a healthcare corporation.

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[12] Rizal Abdurrohman et.al, "T*anggung Jawab Hukum Rumah Sakit Berdasarkan Doktrin Corporate Liability Menurut Pasal 193 Undang-Undang Nomor 17 Tahun 2023 Tentang Kesehatan*," *Jurnal Mandalika https://ojs.cahayamandalika.com /index.php/jcm/ article/view/3659/2863*, no. ISSN 2721-4796 (2024): 2644.

[13] Erna Emlijah and Evita Israhadi, "The Legal Validity of Doctors' Employment Contracts in the Context of Medical Disputes in Hospitals," 2022, https://doi.org/10.4108/eai.16-4-2022.2319821.

Thus, in the event of medical malpractice, patients have a legal basis to sue doctors, hospitals, or the corporation as the legal entity responsible for providing care. This is consistent with the theories of legal liability and corporate liability, which hold that corporations can be held liable for the actions of medical personnel under their supervision, and that directors cannot simply hide behind the corporation's legal entity.

However, the liability of the board of directors cannot be automatically imposed every time medical malpractice occurs, because the board's duties are managerial in nature, not medical-technical. Therefore, personal liability can only be sought if it is proven that there was negligence in fulfilling their fiduciary duty or an abuse of corporate form. If negligence in supervision is proven, they may be held jointly and severally liable with the corporation, in accordance with the doctrines of vicarious liability and piercing the corporate veil.

Legal Consequences of Disparities in Supreme Court Rulings Regarding the Liability of PT Directors for Medical Malpractice

The liability of PT directors in medical malpractice cases highlights a serious issue in the application of the principle of legal certainty. The Supreme Court decisions under scrutiny—Decision No. 1001 K/Pdt/2017 and Decision No. 1815 K/Pdt/2021—demonstrate divergent approaches in determining the party liable for unlawful acts in medical services.

In Decision No. 1001 K/Pdt/2017, the Supreme Court extended liability to the holding company, PT Kosala Agung Metropolitan, based on the company's active involvement in the hospital's operations. The application of the principle of joint liability constitutes an application of the doctrine of piercing the corporate veil, whereby the legal personality boundary between the company and the hospital may be penetrated if there is a misuse of the corporate form or direct involvement in unlawful acts.

In contrast, Decision No. 1815 K/Pdt/2021 points in a different direction. In that case, the Supreme Court held only the treating physician and PT Surabaya Eye Clinic, as the hospital operator, liable. The director (Dr. Moestidjab) was also held liable because he held the dual role of treating physician, not because of his position as director. This decision places greater emphasis on the principles of corporate liability and the directors' fiduciary duty as set forth in Article 97 of the Limited Liability Companies Act

One of the functions of the principle of legal certainty is to provide protection for aggrieved parties so that they are shielded from arbitrary actions.[14] In other words, interested parties can know the rights or benefits to which they are entitled under certain circumstances. The statement aligns with what Van Apeldoorn stated, as cited by Kemilau Mutik, that legal certainty has two aspects: the ability of the law to be applied to concrete cases and the creation of legal security[15]. This indicates that aggrieved parties wish to understand the applicable legal rules before filing a claim, while also obtaining certain legal protection.

The ruling has not yet established uniform criteria for determining the boundaries of liability between the operator and the board of directors of a hospital corporation. This discrepancy

[14] Sudikno Mertokusumo, *"Chapter on Legal Discovery,"* (Bandung: Citra Aditya Bakti, 1993), p. 2.

[15] Kemilau Mutik et al., "Legal Assistance for Corruption Crimes in the Procurement of Goods in Government Agencies 1 Introduction Article 1, Paragraph (3) of the 1945 Constitution of the Republic of Indonesia states that 'the State of Indonesia is a State of Law.' The Constitu," 2024, 1–13.

creates legal uncertainty for business operators, medical personnel, and patients regarding who should be held liable for medical malpractice.

Normatively, this disparity can be explained as the result of differences in the locus culpa, or the legal basis for liability. In Decision 1001 K/Pdt/2017, the fault was corporate mismanagement, as the parent company played an active role in the supervision and management of the hospital. Meanwhile, in Decision 1815 K/Pdt/2021, the fault was individual negligence, as there was no evidence of the parent company's involvement in the hospital's operations.

Thus, the disregard for the principle of separate legal personality in the first ruling was a corrective measure intended to protect patients, while the limitation of liability in the second ruling reflects the judge's caution not to pierce the corporate veil without sufficient factual basis.

Normatively speaking, the differences between these two decisions cannot be fully categorized as a form of legal inconsistency, as there are significant differences in the underlying legal facts. In Supreme Court Decision No. 1001 K/Pdt/2017, the judges found that the parent company played an active role in the supervision and management of the hospital. Consequently, the separation of liability between the subsidiary and the parent company becomes irrelevant. The disregard for the principle of separate legal personality in this case is, in fact, viewed as a form of legal protection for patients, as the holding company has exceeded the bounds of a passive relationship as a shareholder.

Conversely, in Supreme Court Decision No. 1815 K/Pdt/2021, no evidence was found of the parent company's or shareholders' involvement in the hospital's operations. Therefore, the Supreme Court only affirmed the liability of the operating company and the treating physician, in this case Dr. Moestidjab. The emphasis on the principle of the directors' fiduciary duty in this case underscores that directors have an obligation to perform their supervisory functions in good faith and with due care. A director's failure to fulfill these obligations may result in personal liability as provided for in Article 97(3) and (4) of the Limited Liability Companies Act.

Although the Supreme Court, in its Decisions No. 1001 K/Pdt/2017 and No. 1815 K/Pdt/2021, both aim to provide legal protection for patients, the legal reasoning in both decisions indicates that there are no explicit and measurable normative parameters for determining the limits of the extended liability of the board of directors and/or the parent company. In Supreme Court Decision No. 1001 K/Pdt/2017, the extension of liability to the parent company was based on involvement in the supervision of the hospital, but without an explanation of the standard of involvement that could override the principle of corporate personality. Conversely, in Decision No. 1815 K/Pdt/2021, the Supreme Court limited liability to the treating physician and the operating company (PT), without providing a normative explanation for why the " " approach was not applied to other parties within the corporate control structure. This situation indicates that while the outcome of the decision may be factually justified, the Supreme Court has not yet presented consistent and predictable normative arguments to serve as a guideline for similar cases in the future.

While these differences can be understood in practical terms, from the perspective of the principle of legal predictability, this disparity gives rise to serious legal consequences. First, the lack of clarity regarding the parameters of directors' liability leads to legal uncertainty in healthcare risk management. Second, differences in the application of the doctrine of piercing the corporate veil have the potential to create an imbalance in legal protection, whereby patients in similar cases may

receive differing rulings. Third, for directors without a medical background, this situation creates excessive legal risk due to the absence of clear guidelines regarding the boundaries of supervisory functions and personal liability.

The main issue with both rulings does not lie in the provisions of the Limited Liability Companies Act or the Health Act, but rather in the Supreme Court's lack of interpretive guidelines regarding the application of corporate liability in the healthcare sector. The absence of clear normative parameters in the Supreme Court's reasoning also has the potential to give rise to two risks simultaneously.

When considering the three theories of liability in cases of medical malpractice, each theory has distinct functions, scopes, and normative consequences. Therefore, a hierarchical framework is necessary to ensure that their application does not lead to legal uncertainty or an excessive expansion of liability. First, vicarious liability must be positioned as the foundational liability regime. This theory designates the corporation as the primary legal entity responsible for unlawful acts committed by medical personnel within the scope of their employment, as provided for in Article 1367 of the Civil Code and reaffirmed in Article 193 of the Health Law. Within this framework, corporate liability is objective and focused on protecting patients as the aggrieved party, without requiring proof of personal fault on the part of the directors.

Second, the directors' fiduciary duty is a derivative form of personal liability. Directors are not liable for the medical treatment itself, but rather for their failure to fulfill their duties of management and supervision in good faith and with due care, as stipulated in Articles 92 and 97 of the Limited Liability Companies Act.Thus, personal liability of the directors can only be sought if managerial negligence is proven, such as a failure to establish operational standards, weak medical oversight mechanisms, or a failure to address legal violations in the provision of healthcare services.

Third, the doctrine of piercing the corporate veil must be understood as a corrective instrument that serves as a last resort. This theory cannot be applied automatically, merely because of ownership ties or structural control; rather, it requires the abuse of the legal entity's form, active involvement in unlawful acts, or systemic structural failures. Therefore, piercing the corporate veil can only be justified if corporate liability mechanisms and the directors' fiduciary duty are proven to be inadequate to provide effective legal protection for patients. This hierarchical framework demonstrates that extending liability to the board of directors or the parent company is not an automatic consequence of medical malpractice, but rather the result of a step-by-step assessment of the nature of the fault, the degree of involvement, and failures in oversight. Without a clear hierarchical framework, the legal certainty of court rulings could be undermined.

In addition to creating legal uncertainty for hospital boards and healthcare providers, the disparity in the application of liability in these two rulings also impacts the effectiveness of legal protection for patients. In practice, patients, as the aggrieved party, are often in a weaker position than hospitals or healthcare corporations, particularly when it comes to proving a causal link between medical actions and the resulting harm. Therefore, consistent application of the principle of corporate liability is essential so that patients have certainty regarding which party can be held liable in the event of medical malpractice.

On the other hand, extending liability to the board of directors or the parent company cannot be done excessively without clear parameters, as this could create uncertainty in the

management of hospitals organized as limited liability companies. The board of directors essentially performs managerial and supervisory functions, so not all medical errors can be directly attributed to the personal liability of the directors. If there are no firm and clear limits, the application of the "piercing the corporate veil" principle risks undermining the "separate legal entity" principle, which is the primary foundation for the existence of a limited liability company as a legal entity.

Therefore, clearer guidelines from the Supreme Court are needed regarding the parameters for applying fiduciary duty, corporate liability, and piercing the corporate veil in medical malpractice disputes. Such guidelines are essential to ensure clarity in court rulings, maintain a balance between patient protection and legal certainty for healthcare providers, and prevent the imposition of unclear liability on the directors of limited liability companies.

Conclusion

The board of directors of a limited liability company (PT) operating a private hospital bears legal responsibilities derived from the principles of fiduciary duty and vicarious liability. The board of directors of a PT cannot be automatically held liable for every instance of medical malpractice committed by healthcare personnel, as the board's role is managerial, not medical-technical. However, if it is proven that they have been negligent in performing their supervisory functions, establishing operational standards, or ensuring compliance with legal regulations, the directors may be held personally liable along with the company pursuant to Article 97 of Law No. 40 of 2007 on Limited Liability Companies.

The disparity between Supreme Court Decision No. 1001 K/Pdt/2017 and Supreme Court Decision No. 1815 K/Pdt/2021 has created legal uncertainty regarding the scope of liability for the directors of a limited liability company in cases of medical malpractice, as the Supreme Court has not yet established clear normative parameters for applying the principles of fiduciary duty and piercing the corporate veil. This difference in approach results in the liability of directors and/or the parent company being expanded or limited without predictable standards, thereby potentially creating excessive legal risk for directors performing non-medical managerial functions as well as unequal legal protection for patients in similar cases. This situation undermines the principle of legal certainty and underscores the need for Supreme Court guidelines that clearly establish a hierarchical structure of liability: making corporate liability the primary regime, the directors' fiduciary duty a conditional personal liability, and piercing the corporate veil an instrument of last resort in malpractice cases.

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