

# Foreign Medical Workers and Healthcare Workers Under New Regulations: Utilization and Impacts

Prepared by:

Nashatra Prita (Partner) and Yasyfa Alifya Radiany (Assosiate)

Following our second article on "Unlocking Opportunities: The Growing Potential of Distribution of Imported Pharmaceuticals, Medical Devices and Household Health Supplies in Indonesia" as part of our comprehensive healthcare article series in response to the recent enactment of Government Regulation No. 28 of 2024, which implements Law Number 17 of 2023 on Health ("GR 28/2024"), we are pleased to introduce a new topic focused on the utilization of foreign medical workers and healthcare workers in Indonesia. This article will explore the implications for industry players and the opportunities that may arise from these regulatory changes.

With increasing demand for high quality healthcare services in Indonesia, there is an urgent need to upgrade Indonesia's healthcare services to meet international standards, both in terms of facilities and, particularly, human resources. This presents a great opportunity for foreign investors looking to enter the healthcare sector. One key aspect is the procurement of foreign specialists and medical practitioners who can facilitate the transfer of knowledge and develop local health workers' skill and competence to deliver world class healthcare services. We have previously discussed the procurement of foreign doctors pursuant to Law Number 17 of 2023 concerning Health in an article here, and with the recent issuance of the GR 28/2024, some related provisions have already been addressed in greater detail, although certain mechanisms are still pending, awaiting the issuance of further regulations.

Indonesia has significant potential in the healthcare sector, supported by hospitals and clinics equipped with advanced medical technology. Many hospitals in Indonesia are equipped with high-end diagnostic machines such as MRI, CT scans, and PET scans. However, one of the main challenges faced is the limited expertise of local medical workers and doctors to operate these devices and provide diagnostic results with an accuracy level acceptable to international standards.

To improve the standard of healthcare services and ensure accurate diagnostic results that are globally recognized, it is essential to develop the competence of medical professionals in Indonesia.

With these quality improvement efforts, Indonesia has the potential to become a health tourism destination that can compete with other countries.

The demand for foreign medical workers is rapidly increasing, driven by a growing recognition of the need for diverse expertise in patient care. As healthcare systems expand and evolve, foreign professionals may bring invaluable skills and knowledge, particularly in specialized fields where local talent may be limited. Their ability to deliver high-quality care is becoming increasingly essential in meeting the complex needs of diverse patient populations. The integration of foreign medical workers in Indonesia presents significant opportunities for enhancing the healthcare workforce. Despite navigating regulatory complexities, the sector remains appealing to international professionals due to the country's growing healthcare needs and expanding medical infrastructure.

Apart from being attractive to foreign healthcare workers, Indonesia also holds significant appeal for foreign investors looking to establish hospitals or clinics that meet true international standards. The presence of highly qualified and reliable foreign healthcare professionals can play an important role in developing these facilities into more advanced institutions, thereby gaining greater trust from patients and enhancing the reputation of the healthcare services.

# **General Requirements**

It should be noted that under GR 28/2024, there are different practice requirements for foreign workers, who are divided into two categories: (i) foreign workers who are domestic graduates and (ii) foreign workers who are overseas graduates. This regulatory distinction aims to align practice standards with educational backgrounds and enhance the integration of foreign expertise into the Indonesian healthcare system.

Here are the general requirements:

Foreign Medical	Foreign Medical
Workforce and Healthcare Workers who	Workforce and Healthcare Workers who
are Domestic Graduates	are Overseas Graduates
Must have Medical License (Surat Izin Praktek – "SIP") and Registration Certificate (Surat Tanda Registrasi – "STR").1	same
Only specialist and subspecialist foreign medical workers and healthcare workers with a certain level of competency (refers to qualification level 8 in the Indonesian national qualification framework can carry out practice in Indonesia. <sup>2</sup>	same
Can only practice at the request of the user's Healthcare Service Facility within a certain time limit. <sup>3</sup>	Can practice at Healthcare Service Facilities in Indonesia with the following provisions: <sup>4</sup> 1. there is a request from Healthcare Service Facilities that use foreign specialist and subspecialist medical workers as well as overseas graduate foreign national healthcare workers of a certain level of competency, according to needs; 2. for the purpose of transfer of technology and knowledge; 3. for a maximum period of 2 (two) years and can be extended 1 (one) time only for the

Foreign Medical Workforce and Healthcare Workers who are Domestic Graduates	Foreign Medical Workforce and Healthcare Workers who are Overseas Graduates
	Must have professional practice experience of at least 3 (three) years in accordance with their competency in their professional field. <sup>5</sup>
Are prohibited to have private practice. <sup>6</sup>	same
Must fulfil employment requirements and technical requirements in the health sector as well as other requirements in accordance with provisions of laws and regulations. <sup>7</sup>	same
	Healthcare service facilities in Indonesia where foreign medical workers and healthcare workers who are overseas graduates practice must facilitate Indonesian language training for the relevant foreign medical workers and healthcare workers. <sup>8</sup>

## **Licensing Procedure**

Foreign medical and healthcare workers intending to practice in Indonesia must obtain an STR9. The STR is valid for a maximum of two years and may be extended once for an additional two years<sup>10</sup>, except for those working in Special Economic Zones ("KEK"), where regulations provide specific exemptions. 11 STR applications are submitted electronically through the Health Information System, integrated with the National Health Information System. 12 The STR is issued by the Council on behalf of the Minister after the medical healthcare worker fulfills the required conditions.<sup>13</sup> These requirements include holding an educational diploma in the health field and/or a professional certificate, as well as a competency certificate.14

Upon obtaining STR, foreign medical workers and certain foreign healthcare Workers intending to carry out professional practice in Indonesia must obtain an SIP15. This license is valid for only one practice location.16 The SIP is issued for a maximum of two years and can be extended once for an additional two years, except for those working in special economic zones as regulated by applicable laws.17

<sup>&</sup>lt;sup>1</sup> Article 658 paragraph (1) jo Article 659 GR 28/2024

<sup>&</sup>lt;sup>2</sup> Article 660 paragraph (2) and (3) GR 28/2024

<sup>&</sup>lt;sup>3</sup> Article 660 paragraph (1) GR 28/2024

<sup>&</sup>lt;sup>4</sup> Article 662 paragraph (3) GR 28/2024

<sup>&</sup>lt;sup>5</sup> Article 662 paragraph (2) GR 28/2024

<sup>&</sup>lt;sup>6</sup> Article 660 paragraph (4) GR 28/2024

<sup>&</sup>lt;sup>7</sup> Article 660 paragraph (5) GR 28/2024

<sup>&</sup>lt;sup>8</sup> Article 662 paragraph (5) GR 28/2024

<sup>&</sup>lt;sup>9</sup> Article 677 paragraph (2) GR 28/2024

<sup>&</sup>lt;sup>10</sup> Article 677 paragraph (5) GR 28/2024

<sup>&</sup>lt;sup>11</sup> Article 677 paragraph (6) GR 28/2024

<sup>&</sup>lt;sup>12</sup> Article 678 paragraph (1) GR 28/2024

<sup>&</sup>lt;sup>13</sup> Article 678 paragraph (2) GR 28/2024

<sup>&</sup>lt;sup>14</sup> Article 678 paragraph (3) GR 28/2024

<sup>&</sup>lt;sup>15</sup> Article 681 paragraph (1) GR 28/2024

<sup>&</sup>lt;sup>16</sup> Article 682 paragraph (2) GR 28/2024 <sup>17</sup> Article 682 paragraph (5) – (6) GR 28/2024

SIP applications can be submitted online through an information system integrated with the National Health Information System<sup>18</sup>. To apply for a SIP, foreign medical workers and certain foreign healthcare workers must meet specific requirements, including possessing a valid STR and having a designated practice location<sup>19</sup>. According to Ministry of Health Regulation No. 2052 of 2011, doctors are still allowed to register to practice in up to three locations.

Under certain conditions, the Minister may issue an SIP for specific purposes<sup>20</sup>. These include internship programs for doctors and dentists, educational programs for specialists, subspecialists, and specialist healthcare workers, placement of medical workers in special economic zones or ports/airports serving domestic traffic, deployment in underdeveloped, border, island, or health-crisis areas, and to accelerate the fulfilment of healthcare service needs.

In special cases, medical workers and healthcare workers may provide services without requiring an SIP at the specified location<sup>21</sup>. Such arrangements might be based on assignment set by the minister. This can benefit the healthcare sector by improving knowledge transfer to local medical professionals in the short term and expanding business opportunities in the long term.

Further provisions regarding the utilization of foreign medical workers and healthcare workers, including the requirements and procedures for competency evaluations, as well as the issuance of STR and SIP, will be regulated by a Regulation of the Minister.<sup>22</sup>

## **Sanctions**

Medical workers and healthcare workers who fail to comply with the licensing requirements for SIP and STR will be subject to administrative sanctions in the form of fines<sup>23</sup>. If these sanctions are not fulfilled, the names of the medical workers, healthcare workers, and healthcare service facilities involved will be added to a list of administrative violators<sup>24</sup>. This list will be publicly announced periodically through social media to ensure transparency and accountability<sup>25</sup>.

The healthcare service facilities who wish to hire or utilize foreign medical workers and healthcare workers must be aware of and ensure that the medical workers and healthcare workers comply with the requirements in GR 28/2024. It is important to note that if a violation occurs, the healthcare facilities are also held accountable for failing to ensure that healthcare and medical workers comply with the requirements.

Therefore, sanctions for violations under this regulation apply not only to medical workers but also extend to healthcare facilities. Therefore, it is crucial for hospitals and clinics to ensure that the medical workers they employ comply with the regulations.

## Conclusion

In conclusion, while the implementation of GR challenges 28/2024 presents certain stakeholders, it also offers significant opportunities for growth and collaboration in Indonesia's healthcare sector. Since some aspects have yet to be further regulated, the process of obtaining permits for foreign medical professionals may require certain adjustments. However, the ministry and relevant authorities are committed to ensuring that the process proceeds efficiently and in compliance with applicable regulations. Addressing challenges through clear regulatory frameworks and streamlined processes will be essential to ensure compliance and foster trust among business operators. At the same time, the regulation underscores Indonesia's strategic vision of leveraging foreign expertise to drive innovation, enhance local capabilities, and strengthen the healthcare system. By embracing this progressive Indonesia positions itself as approach, competitive player in the global healthcare landscape, paving the way for long-term economic and professional advancements.

- 000 -

The article above was prepared by Dentons HPRP's lawyers

This publication is not intended to be a comprehensive review of all developments in the law and practice, or to cover all aspects of those referred to. Readers should take legal advice before applying the information contained in this publication to specific issues or transactions or matters. For more information, please contact us at <a href="mailto:dentons.com">dentons.com</a> and <a href="mailto:nashatra.prita@dentons.com">nashatra.prita@dentons.com</a>.

No part of this publication may be reproduced by any process whatsoever without prior written permission from Hanafiah Ponggawa & Partners.

<sup>&</sup>lt;sup>18</sup> Article 681 paragraph (2) GR 28/2024

<sup>&</sup>lt;sup>19</sup> Article 681 paragraph (3) GR 28/2024

<sup>&</sup>lt;sup>20</sup> Article 684 GR 28/2024

<sup>&</sup>lt;sup>21</sup> Article 685 paragraph (1) – (2) GR 28/2024

<sup>&</sup>lt;sup>22</sup> Article 687 GR 28/2024

<sup>&</sup>lt;sup>23</sup> Article 752 GR 28/2024

<sup>&</sup>lt;sup>24</sup> Article 754 GR 28/2024

<sup>&</sup>lt;sup>25</sup> Ibid.