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Resolving Medical Disputes: Lessons from U.S. Arbitration for Indonesia's Legal Framework

Muhammad Fakih[1], Rudi Natamiharja[2], Isroni Muhammad Miraj Mirza[3], Andre Arya Pratama[4], Rasmi Zakiah Oktarlina[5]

[1] *Faculty of Law, Universitas Lampung, Indonesia. E-mail: m.fakihum@fh.unila.ac.id*
[2] *Faculty of Law, Universitas Lampung, Indonesia. E-mail: rudi.natamiharja@fh.unila.ac.id*
[3] *Faculty of Law, University of Groningen, Netherlands. E-mail: i.m.m.mirza@rug.nl*
[4] *Faculty of Law, Universitas Lampung, Indonesia. E-mail: andrearyapratama9@gmail.com*
[5] *Faculty of Medical, Universitas Lampung, Indonesia. E-mail: rasmi.zakiah@fk.unila.ac.id*

Abstract: Arbitration serves as a dispute resolution method that offers notable benefits, especially in cases related to medical issues. In contrast, other methods such as litigation are often seen as less effective, while mediation lacks executory power due to the absence of legal enforceability, making agreements vulnerable to cancellation. In Indonesia, arbitration has not yet been adopted for resolving medical disputes, as specific technical regulations are still needed to guide relevant institutions and establish effective mechanisms. This research highlights the importance of implementing arbitration in Indonesia's medical dispute resolution framework, using a comparative analysis of practices in the United States. Employing normative legal research with qualitative data analysis and comparative examination of international legal practices, the findings reveal that arbitration offers a binding and final resolution, making it a highly effective approach for handling medical disputes. To facilitate its adoption in Indonesia, comprehensive technical regulations and a legal framework—similar to the United States' Uniform Arbitration Act (UAA), which outlines arbitration requirements for individual states—are necessary.

Keywords: Arbitration; Alternative Dispute Resolution; Malpractice; Medical; Uniform Arbitration

1. Introduction

Medical disputes are an inevitable challenge in any healthcare system, often arising from miscommunication, unmet patient expectations, or errors committed by healthcare professionals. In Indonesia, the growing complexity of medical cases has exposed significant shortcomings in existing dispute resolution mechanisms, particularly in the use of litigation and mediation.[1] These traditional methods, while legally recognized, are increasingly viewed as ineffective due to their lengthy procedures, high costs, and inability to deliver binding outcomes swiftly. As the number of disputes continues to rise, there is an urgent need for a more efficient, fair, and enforceable resolution method—one that can address the complexities of medical conflicts while maintaining the integrity of the healthcare system.

[1] Dewiwaty. "Alternative Dispute Resolution Between Nurses and Patients in Case of Treating Premature Infant." *Jurnal Hukum Lex Generalis* 2, no. 6: 435-59.

The prompt enactment of Law No. 17 of 2023 on Health introduces several new provisions, including specific procedures for resolving disputes, as outlined in Article 310 of the Health Law. The government stipulates that mistakes made by medical personnel or healthcare workers should be addressed through alternative dispute resolution mechanisms or procedures mutually agreed upon by the involved parties. Arbitration, as one such alternative dispute resolution method, deals with civil matters based on a written agreement, typically incorporated as an arbitration clause within a contract. This process can be initiated either before a dispute arises or after it has occurred. Compared to mediation, arbitration offers a more straightforward approach for resolving medical disputes, with its final decision being enforceable by the court.

The paradigmatic change to arbitration was previously caused by failure of mediation in recent periods. This was observed in the increase in medical disputes which reportedly reached 379 cases in 2020, compared to the 362 cases recorded within 2016 and 2019.[2] However, mediation as mandated by Article 29 of the old Health Law was effectively used to resolve only 4 to 5% of the cases.[3] The lack of success was also intensified by the absence of executorial power not stated in the deed leading to the cancellation. Mediation is considered ineffective in dispute resolution, because patients want cases to be publicized. In addition, lack of knowledge and experience regarding mediation, as well as automatic executorial power advocates the recommendation of litigation.

The recent Health Law on arbitration offered several benefits, namely guaranteed confidentiality of the concerned parties, including the avoidance of delays caused by procedural and administrative matters, expected to be completed within 180 days, ensuring absolute decision-making process. Concerning the duties of each arbiter, the mediator was tasked with the mediating process, and provision of input on dispute resolution. While, the arbitrator was responsible for ruling against or for the concerned parties.[4]

The most significant difference is that failure of the mediation process, leads to litigation, contradicting arbitration resulting in binding and executorial decision.[5] The outcomes of mediation and arbitration included win-win solution and win-lose judgment, respectively.

[2] Iwan Sutiawan, "Doktor Dwi: Revisi Pasal 29 UU Kesehatan, Sengketa Medis Via Arbitrase," Gatra.com, 2022, https://www.gatra.com/news-559761-hukum-doktor-dwi-revisi-pasal-29-uu-kesehatan-sengketa-medis-via-arbitrase.html.

[3] Bernadetha Aurelia Oktavira, "3 Perbedaan Mediasi Dan Arbitrase," Hukum Online, 2023, https://www.hukumonline.com/klinik/a/3-perbedaan-mediasi-dan-arbitrase-lt5bc7526e7755c/.

[4] Nila Munana Valentina Lakhsmi Prabandari, "Arbitrase Sebagai Paradigma Baru Alternatif Penyelesaian Sengketa Dalam Sengketa Medis," Kebijakan Kesehatan Indonesia, 2023, https://kebijakankesehatanindonesia.net/4907-arbitrase-sebagai-paradigma-baru-alternatif-penyelesaian-sengketa-dalam-sengketa-medis.

[5] Sheargold, Elizabeth, and Andrew D. Mitchell. "Public health in international investment law and arbitration." In *Handbook of international investment law and policy*, pp. 1851-1876. Singapore: Springer, 2021.

The mediator passes as non-binding ruling, while arbitration verdicts are permanent legal force binding both parties.

Arbitration is in line with the mechanism stipulated in Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (AAPS Law), perceived as an avenue for resolving civil differences based on an agreement between the two parties. This is in the form of arbitration clause contained the agreement, reached either before, or after a dispute arises. In addition, resolving medical disputes through arbitration is easier than mediation, because the enforcement of the final arbitral decision must be requested by the court. The process requires professional and qualified arbitrators who understand the diverse fields related to the dispute.

Asides from the earlier mentioned mechanism, the implementation of arbitration requires an institution through which an arbitrator issues an agreed decision. An arbitrator is appointed by the concerned parties, district court or arbitration institution, to decide on a particular dispute. The implementation of this process includes technical rules to monitor related institutions and appropriate mechanisms. The AAPS Law regulates arbitration in the scope of commerce, irrespective of certain similarities, such as the existence of a relationship between medical personnel and patients. The contract was reached by authorizing doctors to provide health services based on respective expertise and skills. Comparative research conducted in other countries that had successfully implemented arbitration as an alternative dispute resolution, were reviewed.

Indonesia's legal framework, offers a robust foundation for integrating arbitration into the medical sector. However, technical rules and institutional mechanisms must be refined to suit the unique dynamics of healthcare conflicts. Drawing lessons from the United States' success with the Uniform Arbitration Act (UAA), this research underscores the urgent need for Indonesia to adopt similar measures, ensuring effective, fair, and binding resolutions for medical disputes. By shifting from ineffective mediation to arbitration, Indonesia can create a more efficient, transparent, and just healthcare system.

2. Method

The research adopted a normative legal method to examine the application of authorized norms or rules enacted in positive law and has the power to bind legal subjects. Qualitative (description or narrative) data obtained from primary and secondary sources were used, accompanied by comparative research to review similar phenomenon handled with different solutions.[6] The collection of materials was carried out through

[6] Frankenberg, G. (2017). Critical comparisons: Re-thinking comparative law. In *Legal Theory and the Legal Academy* (pp. 245-289). Routledge.

library research from various literature, books, journals, and other legal resources, including the adoption of a deductive method to obtain specific inferences.

3. Regulatory Challenges for Medical Dispute Resolution in Indonesia

Medical disputes are often prompted by complex and multifaceted issues. According to Emanuel, these are also caused as a result of poor communication between doctors and patients, unrealistic expectations, and misunderstandings about the risks of medical procedures.[7] Legal arrangements for medical disputes in various jurisdictions tend to adopt frameworks that facilitate resolution in a fair and expeditious manner. In Indonesia, settlement outside the court or through non-litigation was mainly considered when dealing with medical malpractice. Law 17 of 2023, particularly article 310 stated that in cases where medical personnel or health workers make mistakes resulting in harm, the settlement process must be carried out by adopting alternative dispute resolution mechanisms.

The provisions reflect the recognition of non-litigation efforts as an effective and efficient means of resolving conflicts, by prioritizing the restoration of relationships and the search for joint solutions that satisfy both parties. Additionally, litigation or court proceedings were considered inefficient and unfair by some parties as it demands high costs and lengthy duration. Criticism also arises regarding the outcome of court proceedings, where one party is perceived as the winner and the other as the loser. The court system is perceived as formalistic and technical, as well as unresponsive to public interest. Some individuals stated that the courts were overcrowded and slow to function. The judicial process was also criticized for being too expensive as well as failing to meet the needs of efficiency and justice expected by society.[8]

Arbitration is a step to resolve disputes based on written agreement, with the assistance of an executorial third party.[9] Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, specifically article 1 number 1 stated that this method is an avenue for resolving civil differences outside public courts based on a written agreement reached by the concerned parties. Article 1 point 3 further stipulated that arbitration clause contained in the written agreement was made either before, or after the arousal of the incident. Arbitration clause focused on resolving disputes arising from the agreement, specifically those not reviewed by judicial bodies. However, these are resolved by a neutral, independent party referred to as an arbitrator. Arbitration clause refers to an

[7] Fhika Maisyarah Mufrizal and Irsyam Risdawati, "Yurisdiksi Mediator Kesehatan Dalam Penyelesaian Sengketa Medis Melalui Alternative Penyelesaian Sengketa," *Jurnal Ners Widya Husada* 8, no. 2 (2024): 1175–81.

[8] Yuyut Prayuti et al., "Efektivitas Mediasi Dan Arbitrase Dalam Penyelesaian Sengketa Konsumen Kesehatan," *Syntax Idea* 6, no. 3 (2024): 1533–44.

[9] Frans Hendra Winarta, *Hukum Penyelesaian Sengketa Arbitrase Nasional Indonesia Dan Internasional*, (Jakarta: Sinar Grafika, 2022).

addition to the main or appraisal agreement. The existence as an addition does not affect the fulfilment of the main agreement which remained unobstructed.

Cancellation of arbitration does not cause the main agreement to become null and void. This tend to differ assuming the main agreement is defective or cancelled, thereby directly implicating the status of arbitration clause to be null and void. The debilitation of the main agreement automatically affects arbitration clause. In addition, the fulfilment process causes arbitration clause to become non-functional. Arbitration clause plays an insignificant role in situations where there is no dispute. An arbitration agreement is regarded as part of a contract, such as an investment or a sales contract, severable from the other provisions. Therefore, even if the contract is invalid, arbitration agreement remains valid.

An arbitration clause generally comprised several important elements that both parties must take into consideration, before reaching an agreement. First, the clause includes a form of commitment from both parties to carry out arbitration process. Second, it should clarify whether arbitration will be institutional (with an organized arbitral institution) or ad hoc (formed on an as-needed basis). If an ad hoc form is preferred, the appointment of the arbitrators or arbitral tribunal must be carried out immediately. Third, arbitration clause should include procedural rules to be followed during the process. In addition, the clause must specify the venue of arbitration as well as the language to be used. This should also include the choice of substantive law to be applied during the proceedings. Finally, the clause may include provisions on stabilization and immunity rights, related to legal protection for the concerned parties.

The clause is only an addition of the main agreement that contains specific requirements regarding how to resolve disputes. It complements the main agreement responsible for regulating how disputes can be resolved by the concerned parties. In this context, the parties prefer to select arbitration route to resolve differences that may occur in the future. The arbitration clause in transactional agreement, is a basic requirement for resolving disputes.[10] In practice, it is difficult to make arbitration agreement often leading to problems, and associated institutions provide standard clauses serving as an enforceable basis.[11] In relation to the clause, the Indonesian National Arbitration Board (BANI) mandated that parties intending to work with the board must include the following standard clauses in the agreements. All disputes arising from the agreement would be resolved by BANI in accordance with the administrative regulations and mandated rules, whose decisions are binding and final.

[10] Giuditta Cordero-Moss, "Interpretation of Contracts in International Commercial Arbitration: Diversity on More Than One Level," *European Review of Private Law* 22, no. 1 (2014).

[11] Bilah, Diah Ayu Zalsa, and Hudi Yusuf. "Penyelesaian Sengketa Bisnis Melalui Arbitrase di Indonesia." *Jurnal Intelek Insan Cendikia* 1, no. 4 (2024): 1098-105.

The formulation of the clause must outline that arbitration award binds both parties to the dispute as the first and final decision level, ensuring no appeal, petition, or review can be filed. This assertion was viewed in Article 60 of Law No. 30 Year 1999 which stipulated arbitration awards are final and permanent legal force binding both parties. The clause gives BANI the absolute competence or authority to decide at the first and final level, in accordance with the provisions of Articles 3 and 11 of Law No. 30/1999 on Arbitration and Alternative Dispute Resolution. This implies that the District Court is not authorized to examine and decide the case.

Arbitration plays an important in commercial, industrial and bank cases. This method is also applied in medical disputes, considering the effectiveness and rapid settlement process. However, time efficiency must be considered, as a protracted process tend to incur significant medical costs or legal fees.[12] The inability to resolve disputes properly tend to have a negative impact on the relationship between doctors or medical personnel and patients. This could affect the hospital as a health organizer enabling interference with daily practices.[13]

The establishment of the Indonesian Medical and Health Arbitration and Alternative Dispute Resolution Institution (LMA-MKI) was initiated by health observers as a forum for resolving disputes without going through the criminal or civil court.[14] The Disciplinary Council is another effective forum for resolving health-related disputes through Mediation and Arbitration, upholding neutrality, integrity as well as prioritizing a win-win solution. Additionally, the results of the Disciplinary Tribunal examination tend to bind medical personnel and health workers. If there are allegations of criminal acts, then the settlement must prioritize dispute resolution through arbitration mechanism with nuances of restorative justice.

Arbitration presents a promising alternative for resolving medical disputes in Indonesia, offering a more efficient, confidential, and binding solution compared to traditional litigation and mediation. The enactment of Law No. 17 of 2023 on Health and the provisions of Law No. 30/1999 on Arbitration and Alternative Dispute Resolution provide a strong legal foundation for implementing arbitration in the healthcare sector. However, for arbitration to be fully effective, Indonesia must establish clear technical guidelines and institutional mechanisms tailored to the complexities of medical disputes.

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[12] Susila, Muh Endriyo. "The Use of Amicable Settlement for Resolving Medical Malparctice in Indonesia." *Medicine, Law & Society* 14, no. 1 (2021): 119-134.

[13] Mary Bedikian, "Medical Malpractice Arbitration Act: Michigan's Experience with Arbitration," *American Journal of Law & Medicine* 10, no. 3 (1984): 287–308.

[14] "UU Kesehatan Beri Ruang Penyelesaian Sengketa Medis Di Luar Pengadilan, Lma-Mki: Hadir Sebagai Lembaga Mediasi Pertama Di Bidang Kesehatan," Media Justitia, 2023, https://www.mediajustitia.com/berita/uu-kesehatan-beri-ruang-penyelesaian-sengketa-medis-di-luar-pengadilan-lma-mki-hadir-sebagai-lembaga-mediasi-pertama-di-bidang-kesehatan/.

The creation of specialized institutions like the Indonesian Medical and Health Arbitration and Alternative Dispute Resolution Institution (LMA-MKI) is a significant step toward this goal. Drawing lessons from the United States' successful arbitration practices, Indonesia can further enhance its legal framework to ensure fairness, efficiency, and justice for all parties involved. Ultimately, adopting arbitration as a standard mechanism for medical disputes will foster trust in the healthcare system, promote quicker resolutions, and reduce the financial and emotional burdens on both patients and healthcare providers.

4. Comparative Analysis of Medical Dispute Arbitration: Lessons from the United States for Indonesia

Medical disputes are an inevitable consequence of the complexities inherent in healthcare delivery, often arising from miscommunication, differing expectations, and misunderstandings regarding medical risks and procedures. In countries with advanced healthcare systems, like the United States, resolving these disputes through traditional litigation has proven to be both time-consuming and financially burdensome for healthcare providers and patients alike. As a result, alternative dispute resolution (ADR) mechanisms, particularly arbitration, have gained prominence as a more efficient and equitable solution. Arbitration offers a confidential, cost-effective, and faster resolution method while maintaining fairness for all parties involved.

In contrast, Indonesia's legal system still relies heavily on court-based litigation and mediation, which often fail to provide timely and binding resolutions for medical disputes. Although recent legal reforms, such as Law No. 17 of 2023 on Health, recognize the need for non-litigation settlement mechanisms, Indonesia has yet to fully implement arbitration for medical malpractice claims. Drawing insights from the U.S. experience—where arbitration has become an essential tool for resolving healthcare disputes—this paper examines how Indonesia could adapt and refine its own legal framework to better address the growing number of medical conflicts.

The United States was the first to implement medical dispute resolution through non-litigation or out-of-court channels such as arbitration. This alternative was adopted by an increasing number of states in America. Since January 1975, nine states had enacted arbitration laws applying exclusively to medical malpractice claims. These laws permit, motivate, or urge concerned parties to apply the process.[15] Courts routinely enforce pre-dispute binding and medical dispute arbitration agreements, which are handled differently. The United States Supreme Court had willingly affirmed the pre-emptive effect of the Federal Arbitration Act (FAA) for the past three decades, as well as enforced

[15] Bedikian, Mary. "Medical Malpractice Arbitration Act: Michigan's Experience with Arbitration." *American Journal of Law & Medicine* 10, no. 3 (1984): 287-307.

pre-dispute mandatory arbitration clauses even when it included contentious language such as class action waivers.

The recently adopted laws reflect a different legislative balance between procedural cost savings and fairness. Arbitration agreements in medical malpractice cases were generally recognized as being more beneficial than traditional litigation. The evolution of arbitration depended on the fact that many cases were resolved through litigation, perceived as unfair to medical personnel in each federal state.

The review of some cases in the past two decades, had proven that these incidents were financially devastating for medical professionals in court. For example, a research conducted in 2005 reported that the American tort system cost approximately $260.8 billion, with $29.4 billion allocated for medical malpractice claims. In a recent research on medical liability costs in 2008, the estimated amount was $55.64 billion, accounting for 2.4% of healthcare costs.[16]

In America, arbitration is generally recognized due to the innumerable benefits and advantages over traditional litigation in medical malpractice claims. Furthermore, it offers healthcare providers privacy, lower defense costs, and an objective award of damages. Arbitration also provides similar benefits to patients, including a quick and fair decision, for those forced to settle the matter when out of resources. Additionally, the patient receive redress faster, and also incurs lower legal fees.[17]

Patients need to understand that, one can fully recover despite giving up the right to a trial by the jury through arbitration. This process is less adversarial and complicated as well as does less damage to the healthcare provider-patient relationship. Asides from the advantages, there has not been a large increase in the number of healthcare providers and patients agreeing to arbitrate claims. A survey of doctors and hospitals in 1997 showed that only nine percent of those examined used arbitration agreements. The usage as part of the hospital admission process is at least double the physician practices, covering approximately twenty percent of hospitalized patients.

The initial attempt to promote arbitration was through the FAA in 1925.[18] The FAA had two main objectives first, to end hostility to arbitration, and second to ensure courts enforced agreements concerning interstate commerce and maritime transactions. The

[16] Michelle M Mello and Amitabh Chandra, "NIH Public Access" 29, no. 9 (2011): 1569–77, https://doi.org/10.1377/hlthaff.2009.0807.National.

[17] Santos, Alba Reyes. "Medical Malpractice Arbitration Agreements: Is Uniformity the Solution?"

[18] Slobodyanik, Yulia, Lesia Kondriuk, and Yuliia Haibura. "The strategy of institutional reform of the supreme audit institution: the case of Ukraine." *Independent Journal of Management & Production* 10, no. 7 (2019): 872-896.

FAA stated that the agreement was valid, irrevocable and enforceable, except in the context of law or equity for the revocation of any contract.[19]

The FAA had been enforced in medical malpractice arena due to the favorable interpretation of interstate commerce. When a court determines the association of interstate commerce, the FAA is applied causing the act preempting state laws to affect arbitration agreements. The National Conference of State Uniform Law Commissioners published the Uniform Arbitration Act (UAA), thirty years after Congress passed the FAA. The UAA was established to offer a more flexible state arbitration mechanism than the FAA. It had been implemented by at least 48 states, and in an attempt to control judiciary, some even adopted tort reform.[20]

The different standards and requirements for medical malpractice claims, affected healthcare providers in states where the system is plaintiff-friendly. The same is applicable to the dissimilarities regarding arbitration of medical malpractice claims between states. Some mandate the implementation of the required the process, while others tend to adopt a voluntary procedure. Even in states that had enacted specific laws, there are differences in content and requirements resulting in the easy and burdensome usage of arbitration agreements in certain countries.

This led to the different treatment doctors receive, trying to enforce arbitration agreements. In 2011, the American Medical Association Advocacy Resource Center prepared a table describing the various liability reforms adopted by each state, including the requirement of arbitration agreements. Some general principles regarding the adoption of laws governing arbitration agreements between patients and physicians were also shared. These were summarized by the article written by McCurdy, including the signing of the agreement as a condition for receiving treatment, the right to cancel it afterwards, the notice provisions, and simplicity of language. The current options include different types of arbitration.[21]

Some states had implemented voluntary binding and non-binding arbitration, while others enacted mandatory procedures observed if the claim is less. Additionally, in some states, the adoption of arbitration is mandatory but can be waived by either party, in others the process can be rejected, thereby proceeding to court. Certain states did not make any provision for arbitration, while some present the concerned parties with the option of agreeing to a court ruling referring to all contentious issues. Even in those that had implemented laws addressing process, there is no consensus on when the agreements should be filed, considering the extent of damages.

[19] Treadaway, Kaitilin V. "Pre-dispute binding arbitration agreements for medical malpractice claims: a right-threatening procedure." *Stetson J Advoc Law* 7 (2020): 164.

[20] Goetz, Steven, Bryan Harrison, and John Voges. "The use of FAA flight training and aviation training devices at UAA institutions." *Collegiate Aviation Review* 33, no. 1 (2015): 44.

[21] Alba Reyes Santos, “Medical Malpractice Arbitration Agreements: Is Uniformity the Solution?”

State laws regarded as regulatory and supervisory policies in the US enacted by Federal and state bodies governing medical disputes vary across jurisdictions. This implied that medical malpractice laws are under the jurisdiction of each state, as the governing framework and rules had been established through the decision of lawsuits filed in courts. The supervisory process tend to be adopted if Indonesia is more influenced by national arbitration institutions or bodies such as BANI. This led to the implementation of stricter limits on the possibility of an appeal against an arbitral award, with only a few acceptable grounds. In contrast to the United States, arbitration proceedings often comprised varied institutions, such as the American Arbitration Association (AAA), based on different procedures and policies. Arbitral awards can occasionally be modified or vacated on certain grounds, apart from the limitations.[22]

In Indonesia and the United States, arbitration was initiated through a clause in the contract stating that the parties agreed to resolve respective differences through arbitration in the event of a dispute. Considering the selection of arbitrators, both countries give the concerned parties the freedom to select an arbitrator or panel who possess expertise in the relevant field. Despite the significant differences between the two countries, dispute resolution through arbitration provide a faster and more efficient alternative method than traditional litigation.

In the context of arbitration, Indonesia tend to imitate the United States in formulating a technical rule to accommodate the issue of medical dispute, in the form of UAA. Furthermore, arbitration rule formed by considering the state, offered a more flexible mechanism. Indonesia had enacted rules regarding this process, namely Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (AAPS Law). Despite being limited to the scope of commerce, some similarities included the existence of medical and patient relationship, and the authorization of doctors to provide health services based on expertise and skills possessed. Additionally, several factors need to be considered in determining the number of arbitrators in a case, namely the nationality of the parties, the number of incidents, complexity of the claim, level of urgency and availability of qualified arbitrators.

The United States' long-standing experience with medical dispute arbitration offers valuable lessons for Indonesia as it seeks to modernize its healthcare legal framework. While arbitration in the U.S. has proven to be an effective tool for reducing costs, speeding up resolutions, and providing privacy for both patients and healthcare providers, Indonesia must adapt these principles to suit its legal and cultural context. The establishment of clear regulations, inspired by the U.S. Federal Arbitration Act (FAA) and

[22] Aydemir, Dilek. "Multi-Tiered Dispute Resolution Clauses after UML on Mediation 2018 and the Singapore Convention." *Public and Private International Law Bulletin* 41, no. 1 (2021): 191-229.

Uniform Arbitration Act (UAA), could pave the way for a more flexible and effective arbitration system tailored to the complexities of Indonesian medical disputes.

For Indonesia to successfully implement arbitration as a mainstream dispute resolution mechanism, it must develop specialized institutions and technical regulations that reflect the unique needs of its healthcare sector. Additionally, raising awareness among healthcare providers and patients about the benefits of arbitration will be crucial in fostering acceptance and ensuring its effective application. By learning from the successes and challenges of the U.S. system, Indonesia can create a fairer, faster, and more efficient process for resolving medical disputes, ultimately strengthening the country's healthcare system and improving patient-provider relationships.

5. Conclusion

The successful implementation of arbitration in resolving medical disputes requires the establishment of clear technical regulations and institutional frameworks to ensure its effectiveness. Recognizing this necessity, Indonesia has established the Indonesian Medical and Health Arbitration and Alternative Dispute Resolution Institute (LMA-MKI) as a specialized forum for addressing healthcare-related conflicts outside the traditional court system. This initiative reflects a significant step toward modernizing Indonesia's approach to medical dispute resolution, offering a more efficient, accessible, and impartial system for both patients and healthcare providers.

Indonesia's adoption of arbitration practices is largely inspired by the success of the United States, where arbitration has proven to be a highly effective alternative to litigation. By embracing this approach, Indonesia stands to gain numerous benefits, including enhanced confidentiality, reduced legal expenses, quicker resolutions, and more impartial damage assessments. Moreover, arbitration fosters a more collaborative environment between patients and healthcare providers, reducing the adversarial nature of traditional court proceedings. Moving forward, Indonesia must continue refining its legal framework, ensuring that arbitration becomes a reliable and trusted mechanism for resolving medical disputes, ultimately enhancing trust, fairness, and efficiency within the national healthcare system.

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