



**Bureau of Experts at the Council of Ministers
Official Translation Department**

Law of Private Health Institutions

Royal Decree No. M/40
January 6, 2003

Translation of Saudi Laws



NOTE:

The translation of Saudi laws takes the following into consideration:

- Words used in the singular form include the plural and vice versa.
- Words used in the masculine form include the feminine.
- Words used in the present tense include the present as well as the future.
- The word “person” or “persons” and their related pronouns (he, his, him, they, their, them) refer to a natural and legal person.



Law of Private Health Institutions

Article 1

In this Law, the following terms shall have the meanings assigned thereto, unless the context requires otherwise:

- **Private Health Institutions:** Health institutions owned by the private sector and equipped for treatment, diagnosis, nursing, medical tests, or rehabilitation, or for the accommodation of convalescents. They shall include the following:
 1. **Hospitals:** Facilities where patients are received, examined, treated, and hospitalized.
 2. **General Polyclinics:** Facilities where patients are received, examined, and treated. They shall have at least three different medical specialties, one of which a primary specialty (e.g., surgery, internal medicine, obstetrics and gynecology, pediatrics, family medicine).
 3. **Specialized Polyclinics:** Polyclinics including one medical specialty, or more, and its subspecialties.
 4. **Clinics:** Facilities where patients are received, examined, and treated.
 5. **Radiology Centers:** Facilities for diagnostic medical imaging or radiotherapy.
 6. **Medical Laboratories:** Facilities for conducting laboratory tests.
 7. **Same-Day Surgery Centers:** Health institutions licensed to hospitalize patients for conducting medical procedures; such as minor or intermediate surgeries, provided that the patient is discharged on the same day, in accordance with the Implementing Regulations.
 8. **Health Service Support Centers:** Facilities that provide health or technical services supplementary to treatment and rehabilitation. They shall include the following:
 - a) Physiotherapy centers.
 - b) Optical stores.
 - c) Prosthetic stores.
 - d) Support centers approved as health services by the Minister of Health.
 9. **Ambulance Transport Service Centers:** Units in charge of transporting and providing first-aid services for patients or injured persons before hospitalization, in accordance with the specifications and controls set forth by the Saudi Red Crescent Society.
- **Ministry: Ministry of Health.**



- **Minister: Minister of Health.**

Article 2

1. Except for hospitals, a private health institution shall be exclusively owned by Saudis.
2. The owner of a clinic must be a physician specialized in the clinic's area of specialty and he shall supervise the clinic on a full-time basis.
3. Each polyclinic, medical laboratory, radiology center, or same-day surgery center shall have a full-time supervisor who shall be a Saudi physician or professional specialized in the area of specialty of the polyclinic, laboratory, or center whether he is an owner, co-owner, or otherwise. Such condition may be waived if a Saudi physician or professional is not available, subject to the stipulations of the Implementing Regulations.
4. In all cases, each private health institution shall have a full-time supervisor specialized in the institution's area of specialty.
5. The medical director of hospitals shall be a qualified Saudi physician, as per the Implementing Regulations.
6. The management of private health institutions shall be limited to qualified Saudis, in accordance with rules and conditions specified by the Implementing Regulations.

Article 3

Premises of a private health institution shall conform to the sanitary conditions as well as architectural specifications and proper distribution. It shall contain the necessary furniture, and medical and non-medical devices and equipment. The institution shall have a medical waste disposal system, an infection control system, and a medical information system. The required standards and conditions shall be specified in the Implementing Regulations.

Article 4

1. No private health institution may be opened or operated except after satisfying all the conditions and requirements stipulated in this Law and its Implementing Regulations, upon obtaining all necessary licenses.
2. Health institutions shall be granted a renewable five-year license.



Article 5

An applicant for a license to open a private health institution or renewal thereof shall pay the prescribed fee as follows:

Private Health Institution	License or Renewal Fee
Hospital with 50 beds or less	5,000 riyals
Hospital with 51 to 100 beds	10,000 riyals
Hospital with more than 100 beds	15,000 riyals
General polyclinic	2,000 riyals
Specialized polyclinic	2,000 riyals
Clinic	1,000 riyals
Radiology center	1,000 riyals
Medical laboratory	2,000 riyals
Same-day surgery center	2,000 riyals
Health service support center	1,000 riyals
Ambulance transport service center	1,000 riyals

Article 6

A private health institution shall be classified, upon obtaining or renewing a license, according to the criteria and conditions established by a specialized committee. The Implementing Regulations shall specify such committee and determine classification procedures and manner of implementation.

Article 7

Each private health institution shall determine the rates of services offered thereby, which shall be approved by the Ministry upon review and ensuring their compatibility with established standards. Said rates shall not be changed without the approval of the Ministry. The institution shall:

1. comply with the approved rates of health services;
2. display the rates in clear writing in a visible location;
3. provide the patient with an estimate of the costs of treatment and services prior to commencement of treatment; and
4. provide the patient with a final detailed invoice of the type and cost of treatment and services rendered.



Article 8

A private health institution may not hire physicians or other health practitioners or pharmacists except after they obtain a license to practice from the Ministry.

Article 9

The number of beds may not be less than 30 beds in a general hospital; 20 beds in a hospital with two specialties; and 10 beds in a single specialty hospital.

Article 10

A hospital shall have an adequate number of resident physicians, specialists, consultants, pharmacists, technicians, nurses, support health staff, and other necessary services according to its capacity and level of classification, in accordance with the standards and controls set forth by the Implementing Regulations.

Article 11

A hospital shall be equipped with the following:

1. Necessary medical devices and equipment; a laboratory and radiology unit based on its specialty(s); isolation rooms; intensive care beds; and all necessary ambulatory services as per the Implementing Regulations.
2. A dispensary that meets the terms and specifications determined in the Pharmacy Practice Law and its Implementing Regulations.

Article 12

A private health institution shall notify the competent health authority of any infectious pathological cases immediately upon diagnosis. Quarantine cases of infectious diseases shall be directly referred to the Ministry's hospitals and the competent health authority shall be immediately notified. The Implementing Regulations shall specify the requirements thereof.

Article 13

Clinics and polyclinics shall have an adequate quantity of medication and first aid tools as determined by the Implementing Regulations, and which are not intended for sale.

Article 14

Licensing for either a general or specialized polyclinic requires employing at least one consultant in each of the major specialties licensed at the polyclinic, and that at least one nurse is assigned to each clinic. As an exception, the number of consultants in such health



institutions in remote areas, as determined by the Ministry, may be reduced to one consultant, or may be specialists only.

Article 15

Services of the laboratory, radiology center, same-day surgery center, and health service support center, irrespective of type, shall be rendered by licensed specialists. The Implementing Regulations shall specify the conditions and work procedures for providing such services as well as the required qualifications of workers therein.

Article 16

A private health institution shall provide first-aid treatment to all serious incoming emergency cases without any financial claims prior to providing treatment, in accordance with the Implementing Regulations.

Article 17

Committees for the inspection of private health institutions shall be formed in each directorate of health affairs to ensure implementation of the provisions of this Law and its Implementing Regulations as well as the decisions issued by the Ministry under this Law, and to monitor quality level. The Implementing Regulations shall determine the manner of forming said committees as well as their work procedures.

Article 18

A license shall be revoked upon transfer of ownership of a private health institution to another owner, or change of the institution's activity or location without the Ministry's approval.

Article 19

A license shall terminate in the following cases:

1. Expiry of the license and failure of the licensee to request a renewal; however, an application may be submitted to obtain a new license upon satisfying all statutory conditions.
2. Lapse of six months from the death of the owner of a private health institution. The heirs may retain the license for a period to be specified by the Ministry on a case by case basis, provided that the heirs submit a request for the retention of the license within six months from the date of death.



Article 20

Without prejudice to any severer penalty prescribed by another law, any person who opens a private health institution without a license shall be subject to the following penalties:

1. Closure of the institution and denial of a license for a period not less than six months and not exceeding two years from the date of closure.
2. A fine of not less than 10,000 riyals and not exceeding 30,000 riyals, for health service support centers.
3. A fine of not less than 30,000 riyals and not exceeding 100,000 riyals, for medical laboratories, radiology centers, and ambulance transport service centers.
4. A fine of not less than 50,000 riyals and not exceeding 150,000 riyals, for clinics, polyclinics, and same-day surgery centers.
5. A fine of not less than 100,000 riyals and not exceeding 300,000 riyals, for hospitals regardless of class.

Article 21

Except for the violations stipulated in Article 20 and without prejudice to any severer penalty prescribed by another law, any person in violation of any of the provisions of this Law shall be subject to one or more of the following penalties:

1. A fine of not less than 10,000 riyals and not exceeding 100,000 riyals.
2. Closure of the private health institution for a period not exceeding 60 days. The institution shall take all necessary arrangements to transfer in-patients to other institutions prior to closure.
3. Withdrawal of the license, and in this case, the licensee may not apply for a new license except after the lapse of at least two years from the date of withdrawal.

Article 22

The legal medical committee provided for in the Law of Practicing Human Medicine and Dentistry shall have the power to consider the liability of private health institutions for medical errors subject of claims relating to private or public rights.

Article 23

Pursuant to a decision by the committees provided for in Article 25, the activity subject of the violation may be suspended - as a precautionary measure - if there are strong evidence and presumptions of the occurrence of violations substantiated in the preliminary investigation; the penalty for which, if established, is withdrawal of the license



or closure of the health institution.

Article 24

If closure of a private health institution results in harming the patients thereof, the Ministry shall take all necessary measures to continue the treatment of patients in the manner it deems fit.

Article 25

1. Committees shall be formed at directorates of health affairs pursuant to a decision by the Minister; each committee shall comprise at least three members, one of whom shall be a consultant in a medical profession and the second, a legal adviser, to decide any violation of the provisions of this Law and impose stipulated penalties. Decisions of such committees shall be enforced only upon the approval of the Minister or his designee.
2. Aggrieved parties may appeal such decisions before the Board of Grievances within 60 days from notification date.
3. The final decision imposing the penalty shall be published at the expense of the violator in three local newspapers, one of which at least is issued in his place of residence. If no such newspaper exists in said area, the decision shall be published in the newspaper issued in the nearest area.
4. The Implementing Regulations shall specify the term of membership of such committees and the procedures to be followed regarding conduct of business and notification of decisions.

Article 26

A private health institution shall, prior to signing a contract with any person it seeks to recruit, explain the provisions of the Labor Law, in addition to the procedure guide, job description, and relevant laws applicable in the Kingdom of Saudi Arabia.

Article 27

A private health institution shall enable health practitioners to attend continuous medical education programs in their area of specialty within the Kingdom or abroad, as determined by the Saudi Commission for Health Specialties.

Article 28

All hospitals shall have a medical library therein and shall subscribe to relevant scientific periodicals within their field; other health institutions shall provide major scientific periodicals related to their specialty.



Article 29

In case of emergencies that require mobilizing all medical resources, the Minister may order the use of any private health institution, or part thereof, for purposes he determines; provided that the Ministry pays fair compensation for such use.

Article 30

A private health institution shall promptly notify the nearest competent law enforcement agency and the local directorate of health affairs of any criminal incident or the death of out-patients or in-patients. This shall include reporting any criminal incident that requires an injured person to request an ambulance or seek treatment therein. It shall also keep a full record of all traffic accidents and injuries.

Article 31

A private health institution may not undertake any act of publicity that conflicts with the code of professional ethics, in accordance with the criteria set forth in the Implementing Regulations.

Article 32

The Minister shall issue the Implementing Regulations of this Law within 90 days from the date of its publication in the Official Gazette.

Article 33

This Law shall supersede the Law of Private Medical Institutions promulgated by Royal Decree No. (M/58) dated 3/11/1407H.

Article 34

Licenses issued to private health institutions in accordance with the laws and directives in force at the time of issuance of this Law shall remain valid. Such institutions shall adjust their status according to the provisions of this Law and its Implementing Regulations within five years from the Implementing Regulations' entry into force. This period may be extended upon the approval of the Prime Minister based on a recommendation by the Minister of Health.

Article 35

This Law shall be published in the Official Gazette, and shall enter into force 90 days from its publication date.