The question of whether to permit private medical services (dubbed SHARAP) in government hospitals is one of the most controversial issues in Israeli health care today, with parallels in European countries. Under the Israeli National Health Insurance Law all residents are entitled to free medical care included in a defined "basket" of services. This basket excludes the choice of surgeon for hospital services, such as surgical operations. However, people can pay for this choice out-of-pocket or through supplementary insurance. Such surgical procedures can take place in private facilities, often by publicly employed surgeons during their after work hours. In most of the public hospitals in Israel such "private" operations on their premises is forbidden. However, in three Jerusalem public, non-profit hospitals, choice of surgeons is allowed under long-standing SHARAP programs. This study explores the functioning of surgical care in these hospitals, in order to contribute empirically based evidence to the above mentioned debate. The study is based on administrative data of the three hospitals on about 37,000 operations carried out in the year 2001, 16 percent of which were in the SHARAP program. The paper analyzes and discusses the implications of SHARAP for equity, efficiency and freedom of choice. It finds, first, that most SHARAP activity is for relatively routine procedures. Second, that despite SHARAP, nearly all the public complex operations are performed by teams which include very senior surgeons. Finally the study finds that the costs to the majority of patients for most operations are reasonable, especially when covered by supplementary insurance, which most people hold. On the other hand, SHARAP appears to continue to be beyond the reach of most low-income persons. Moreover, by opting for SHARAP, patients do increase the likelihood that a very senior surgeon will be the surgeon-of-record, and this does have implications for health care equity.