

# **Exploring Dual Practice Dynamics in Healthcare Operations Management**

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## **Abstract**

The Canadian healthcare system predominantly operates within a publicly funded model, where strict regulations prevent physicians from simultaneously practicing in both the public and private sectors. These restrictions are established to address concerns that allowing dual practice would incentivize physicians to prioritize their private service over their public practice, potentially compromising equitable access to healthcare for all members of society. However, literature on multi-channel service provision suggests that service systems allowing the operation of dual service channels tend to yield an overall higher level of welfare. This paper develops an analytical model to study the implications of dual practice in the Canadian healthcare system. Our model examines physician decision-making regarding capacity allocation across the public and private sectors, as well as the pricing decisions for private practice, and evaluates patient behavior in response to these decisions. Unlike prior studies, which often treat private and public providers as independent entities, our model assumes a single physician managing both service channels, resulting in a more nuanced analysis of dual practice dynamics. Using game-theoretic and queueing-based frameworks, we study the implications of different regulatory approaches to dual practice on service access, patient welfare, and physician welfare. Our findings contribute to the ongoing policy debate by providing insights into how dual practice might influence efficiency, equity, and accessibility in the healthcare system.

## **Keywords**

Dual Practice Dynamics, Healthcare, Operations, Management