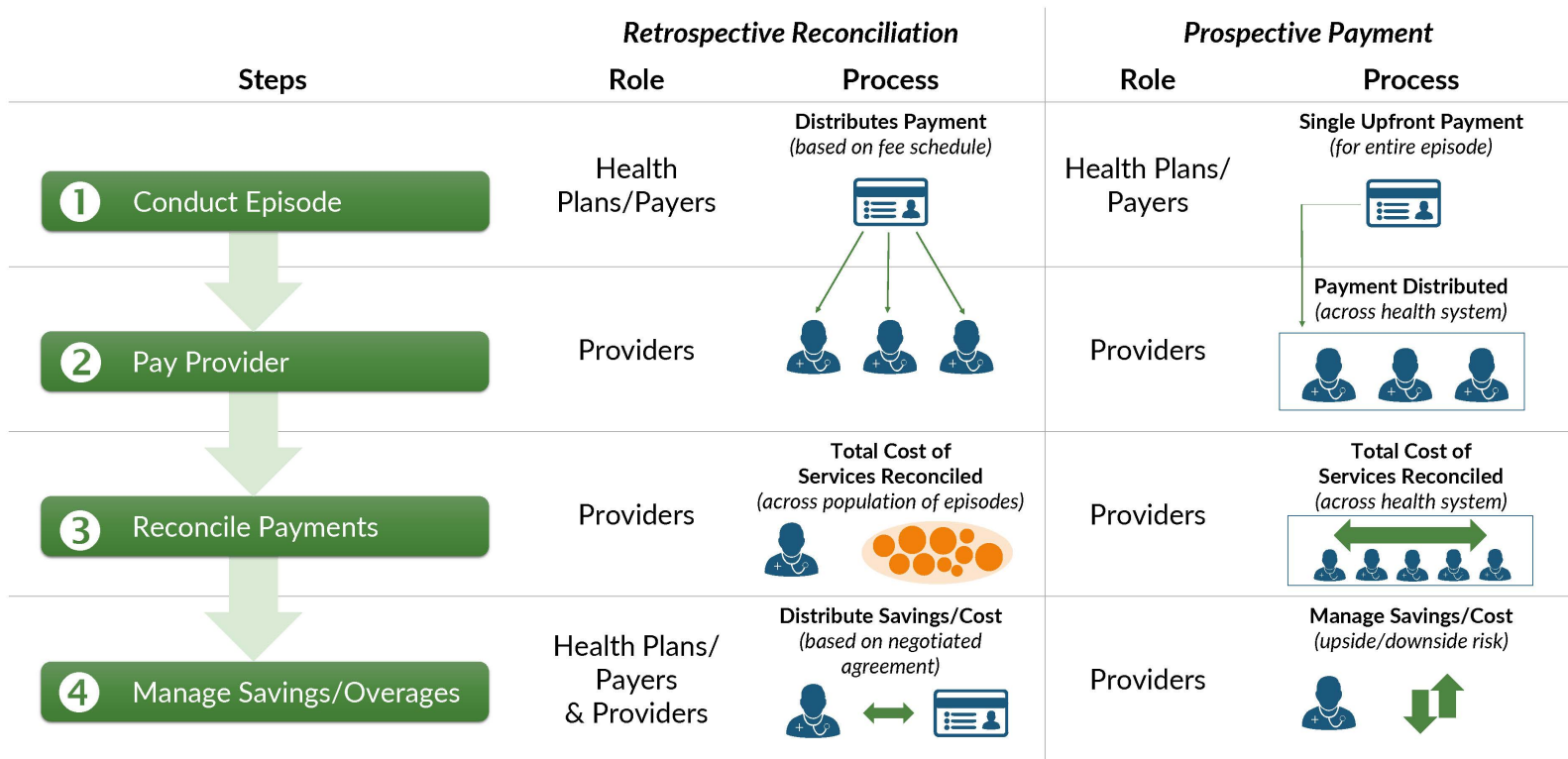


Figure 6, 8 & 11: Retrospective Reconciliation vs Prospective Payment



Episode payments are typically dispersed in one of two ways.

Retrospective Reconciliation : Providers are paid on a FFS basis and a reconciliation is then performed between the target episode price and the actual average episode price after a period of time across all the episodes attributed to a provider.

Prospective Payment: Payment is provided for the whole episode, including all services and providers, and paid to the accountable entity to subsequently pay each provider in turn.