Dear Colleague

PHARMACEUTICAL SERVICES AMENDMENTS TO DRUG TARIFF IN RESPECT OF REMUNERATION ARRANGEMENTS FROM 1 APRIL 2017

Purpose

1. This circular advises community pharmacy contractors and NHS Boards on the outcome of the negotiations for the community pharmacy funding envelope for 2017-18.

Background

2. Circular PCA (P)(2016) 11 advised on changes to remuneration arrangements in respect of the financial year 2016-17 and Circular PCA (P)(2017) 5, published 9 June 2017, advised of amendments to reimbursement prices listed in Part 7 of the Drug tariff (generic drugs) and the Part 7 and Part 11 discount clawback rates following the 1 year settlement reached with Community Pharmacy Scotland.

Details

3. This circular now advises of the key and headline elements of the community pharmacy settlement and of further changes in respect of payments from July 2017 dispensings. This settlement aims to deliver contractors and Health Boards with continued stability and predictability. The key and headline elements of the 2017-18 settlement are as follows:

- The Global Sum will remain unchanged at £178.359m for the financial year 2017-18
- The non-Global Sum shall roll forward at its current level of £1.3m
- The guaranteed minimum margin retained by contractors be increased to £110m
- That should market conditions permit, contractors be allowed the opportunity to retain 100% of margin up to £10m, above the guaranteed minimum margin
- That any margin earned above £120m will be shared on a 50:50 basis with NHS Boards
• A reduction in the value of reimbursement prices listed in Part 7 of the Drug Tariff (generic drugs) totalling £20m, achieved over a 12 month period, effective from 1 June 2017.
• Effective from 1 June 2017, the generic clawback to be reset to zero for the remainder of the financial year, and that;
• NHS Boards will reinvest £2m into the pharmacy network to support service development as outlined in the 2016-17 agreement.

4. Amendments to the above effects are included in the new composite arrangements detailed in the Annex and supercede all previous entries in the Drug Tariff with respect to centrally set remuneration.

Consultation

5. Community Pharmacy Scotland has been consulted on the Drug Tariff amendments and the contents of this circular.

Action

6. NHS Boards are asked to:

• Copy this circular to all community pharmacy contractors on their pharmaceutical lists, Health and Social Care Partnerships and the Area Pharmaceutical Board.

Yours sincerely,

Rose Marie Parr
Chief Pharmaceutical Officer/
Deputy Director Pharmacy & Medicines Division
DRUG TARIFF PROVISIONS WITH RESPECT TO COMMUNITY PHARMACY REMUNERATION WITH EFFECT FOR DISPENSING PERIOD UPDATED TO INCLUDE CHANGES FOR DISPENSINGS FROM JULY 2017

Dispensing Pool Payment – standard arrangements for contractors with established dispensing histories – annualised pool £74.292m

From the 1st April 2017 all contractors on the pharmaceutical list on the 1st day of the dispensing month will be eligible to receive a Dispensing Pool Payment. This will be calculated as a discrete payment for each contractor.

For dispensing months July 2017 onwards it will be calculated as a share of an aggregate monthly dispensing pool of £6.191m

The share of each eligible contractor is calculated as that contractor’s share of total dispensings made over a previously determined period. Dispensing pool payments for the dispensing months July to September 2017 the prior reference period will be December 2016 to February 2017 inclusive. For subsequent dispensing quarters the reference period will roll forward by one quarter.

In recognition of the activity associated with complex dispensings and to avoid the need for a separate payment, the aggregate dispensings pool and each contractor’s share will compromise discrete dispensing plus instalments, with each instalment currently weighted on a par with a dispensing.

Dispensing Pool Payment – arrangements for contractors recently added to the Pharmaceutical List, and/or with incomplete dispensing history, or whose dispensing pool payment would otherwise fall below the minimum target

A minimum monthly payment of £750 will apply for dispensing months April 2017 onwards to eligible contractors who were not on the list, or where no previous contractor was on the list for the applicable prior reference period used when calculating the dispensing pool payments. The minimum payment will remain in place until the contractor has 3 months consecutive months dispensings activity to be used to determine the dispensing pool payment.

If a contractor recently added to the list considers that the £750 payment doesn’t fairly reflect their share of overall dispensing activity in the first 3 months of operation, they may request ISD within 9 months of the dispensing months concerned for a retrospective adjustment calculation to be completed. This will establish if an adjustment, calculated by reference to the previous quarter’s dispensing pool, would be appropriate.

If the total amount due is less than the £750 already paid, no further action will be taken. If the amount due exceeds £750 an adjustment will be made as soon as practical for the months concerned and if necessary as a retrospective payment. This provision is back dated to apply for payments related to dispensing month April 2016 onwards.
**Chronic Medication Service (CMS) Capitation Payment – annualised pool £36.049m**

The base pool which CMS capitation payments will be calculated for dispensing months **April 2017 to June 2017** will continue to use the same level in place for the March 2016 dispensing month i.e. **£3m**.

Contractors, on the list on the 1<sup>st</sup> day of the dispensing month and contracted with their NHS Board to provide CMS, will receive a share from this pool in proportion to the number of patients registered for CMS and assigned with a priority care plan in the patient’s Pharmacy Care Record on the last day of the month concerned.

The monthly base pool of **£3m** will be increased each month by any amount not distributed from with the previous month’s monthly base pool plus increase.

Payments to any eligible contractor who was on the pharmaceutical list at 31<sup>st</sup> March 2012 and to any contractor who takes over a contractor also on the list at 31<sup>st</sup> March 2012 are subject to minimum and maximum monthly payment. For dispensing months April 2017 onwards will be the minimum and maximum monthly payment which were already in place at 31<sup>st</sup> March 2017. Contractors who first joined the list on 1<sup>st</sup> April 2012 and who have taken over an existing contractor, will not be subject to any maximum monthly payment but will be subject to a minimum monthly payment of **£600**.

**Establishment Payment – annualised pool £26.319m**

A single flat rate payment of **£1,748** will be made to all contractors on the Pharmaceutical List on the first day of each dispensing month.

**Establishment Payments for part time Essential Small Pharmacy (ESP)**

For part time ESPs, the Establishment Payment will be made in the following proportions of the single flat rate payment of **£1,728**:

<table>
<thead>
<tr>
<th>Hours Contractor Open</th>
<th>% of Single Flat rate Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;5/≤10</td>
<td>60%</td>
</tr>
<tr>
<td>&gt;10/≤15</td>
<td>75%</td>
</tr>
<tr>
<td>&gt;15/≤20</td>
<td>85%</td>
</tr>
<tr>
<td>&gt;20/≤25</td>
<td>90%</td>
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<tr>
<td>&gt;25/≤30</td>
<td>95%</td>
</tr>
<tr>
<td>&gt;30</td>
<td>100%</td>
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</tbody>
</table>
Minor Ailment Service (MAS) – Availability for service payment - annualised pool £15.815m

Contractors who have arrangements with NHS Boards for the provision of MAS for the dispensing month will receive the following tiered payment related to the number of patients for that month:

<table>
<thead>
<tr>
<th>Band</th>
<th>Number of Registrations</th>
<th>Annual Payment</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 – 250</td>
<td>£7,300.92</td>
<td>£608.41</td>
</tr>
<tr>
<td>2</td>
<td>251 – 500</td>
<td>£9,253.92</td>
<td>£771.16</td>
</tr>
<tr>
<td>3</td>
<td>501 – 750</td>
<td>£11,208.00</td>
<td>£934.00</td>
</tr>
<tr>
<td>4</td>
<td>751 – 1000</td>
<td>£13,218.00</td>
<td>£1,101.50</td>
</tr>
<tr>
<td>5</td>
<td>1001 – 1250</td>
<td>£15,228.00</td>
<td>£1,269.00</td>
</tr>
<tr>
<td>6</td>
<td>&gt; 1250</td>
<td>Band 5 + £8.04 per patient</td>
<td>Band 5 + £0.67 per patient</td>
</tr>
</tbody>
</table>

MAS availability for service payment for part time ESPs

For part time ESPs, MAS availability for service payments will be made at the following rates of the payment scale outlined above:

<table>
<thead>
<tr>
<th>Hours Contractor Open</th>
<th>% of Single Flat rate Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;5&lt;10</td>
<td>60%</td>
</tr>
<tr>
<td>&gt;10&lt;15</td>
<td>75%</td>
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<tr>
<td>&gt;15&lt;20</td>
<td>85%</td>
</tr>
<tr>
<td>&gt;20&lt;25</td>
<td>90%</td>
</tr>
<tr>
<td>&gt;25&lt;30</td>
<td>95%</td>
</tr>
<tr>
<td>&gt;30</td>
<td>100%</td>
</tr>
</tbody>
</table>

Applicable dates for eligibility for payment of MAS

The level of MAS allowance payable to a listed contractor for a particular month will be paid to the contractor listed on the last day of that month. The payment due will be based on the number of patients registered on the last date of that month.

When a contractor is taken over by another, the new contractor will receive any MAS payments due for the month during which the takeover occurred.

Operations and Development Payment (O&D) – annualised pool £6.133m

With effect from October 2017 dispensings in respect of the O&D payments will be restructured to support the building on key areas identified in the Scottish Patient Safety Programme (SPSP) work completed by contractors in 2016/17.

Arrangements for O&D payments for the dispensing months 1 September 2017 to 31 March 2018 will be updated to remove the following checks:

B1, C1, D1, B2, C2, D2, B3, C3, D3, B4, E4, B5, E5, B6 and E6

Where a contractor acquires an established pharmacy after 1 April 2017 the new contractor will inherit the target O&D payments of the original contractor.
Pool available for payment

For the dispensing months July – March 2018, the aggregate monthly amount available for the calculation of the target O&D payments to contractors is £0.511m.

Determination of the fixed element payment

Gluten Free Foods Service

The fixed element for all contractors will remain at £125. This element supports contractors who have agreed to offer the Gluten Free Foods additional pharmaceutical service from 1 April 2017.

All contractors, who are on the list on the 1st day of the dispensing month concerned in the July – September 2017 dispensing quarter and who have accepted their Heath Board’s invitation to offer the Gluten Free Foods additional pharmaceutical service, will automatically receive the fixed element payment.

All contractors providing the GFFS must ensure that patients’ full and accurate CHI numbers are provided when making claims.

Quality Improvement

Contractors on the pharmaceutical list from 1 April 2017 and who have completed the Scottish Patients Safety Climate Survey will be entitled to a fixed fee of £220 from October 2017 for the continued implementation of quality improvement activities across the pharmacy team. This builds upon the Scottish Patient Safety Surveys undertaken in 2016/17. The surveys highlighted that pharmacy teams felt they needed support in identifying the contributing factors and underlying causes which lead to near misses or patient safety incidents.

Contractors will have made available basic learning materials and templates to aid in quality improvements driven by near misses and patient safety incidents when learning’s from SPSP surveys undertaken in 2016/17 are applied utilising the Pharmacy Action Plan resource.

Further details on activities and tools to support contractors along with details on declarations will be outlined in a separate circular to follow.

Determination of the variable element of payment

For the dispensing months October – March 2017, the variable element of the target will be targeted to:

- Implementation of Standard Operating Procedures (SOP) for serial dispensing.

A monthly payment of £60 will be made to contractors to ensure that full and proper Standard Operating Procedures for serial prescribing are implemented across the pharmacy.

Checks F22 – F24 Boards will check if the contractor has completed implementation of SOPs for serial dispensing by 30 November / 31 December 2017 and 31 January 2018 respectively. Each check will be carried out once only and the level of the variable payment for each dispensing month will be made in accordance with the details noted in circular PCA (P) (2015) 7.
**Care Bundles Payment – annualised pool £2.0m (non-recurring)**

Non-Steroidal Anti Inflammatory Drugs (NSAIDs) Interventions

NSAIDs consistently top the list of medicines implicated in unplanned and emergency hospital admissions. A great deal of the harm caused by these widely used and clinically necessary agents is preventable, and whilst the opportunity for intervention in most outlets is minimal, community pharmacy teams are ideally placed to provide safety advice for prescribed items and the proportion of overall purchases which occur in their premises.

The Scottish Patient Safety Programme (SPSP) has developed a **structured intervention tool and supporting materials** for community pharmacy teams to deliver to patients and clients alike. Contractors should roll out the use of the toolkit to their community pharmacies.

All community pharmacies will be provided with and use the NSAID patient safety cards to counsel patients either being **dispensed or purchasing** an NSAID. This will ensure that the **whole pharmacy team** can deliver the intervention end-to-end, maximising the number of patients reached and making a tangible contribution to medicines safety.

This activity will be evaluated to measure the benefit of undertaking this work and to gauge the value of using this approach in future years.

A single payment of **£1,600** will be made October paid December to contractors on the list at 1 April 2017 against dispensings for November 2017 paid January 2018.

Further details will be outlined under a separate Circular in due course.

**Quality and Efficiency Payment – annualised pool £5.762m**

The arrangements in place at 31st March 2017 will roll forward for the dispensing month April 2017 onwards. All contractors on the Pharmaceutical List at 1st April 2017 will receive the monthly Quality and Efficiency Payment of **£150**.

All contractors on the Pharmaceutical List for the dispensing months April 2017 onwards will continue to be eligible to receive a contractor specific Quality and Efficiency payment for a particular month. Contractors will have to achieve a rate of claims of at least **90%**. At or above this threshold the contractor will receive a payment at the rate of each contractors own target Q&E payment. Below the threshold, contractors will not be eligible for any payment, except in the following circumstances:

A contractor who wouldn't otherwise receive a payment for a particular month may request the Health Board to consider failure to achieve the **90% threshold** are exceptional and outwith the contractors control, and authorise a special payment. If an application is made, and the Health Board considers that failure to achieve the **90% threshold** is outwith the contractors control, a full or partial payment may be authorised at the discretion of the Health Board.

**Performance of all contractors against the target electronic claims rate of 90% will continue to be monitored throughout 2017-18.**
Patient Services elements of Public Health Service (PHS) Smoking Cessation, Emergency Hormonal Contraception (Sexual Health) and Meningitis B – total annualised pool £4.580m

All contractors who have arrangements in place with NHS Boards for the provision of the PHS will receive payments in respect of the dispensing months April 2017 onwards for the following services:

**PHS Smoking Cessation**

The contractor will be remunerated for the submission of MDS information at each of the 3 quit-attempt milestones and rates noted below. Milestones are intended to help improve the level of service provided to clients looking to quit smoking and the monitoring of that through the HEAT target process.

<table>
<thead>
<tr>
<th>Quit Attempt Event</th>
<th>MDS Submission</th>
<th>Remuneration Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event A</td>
<td>To be electronically submitted once the quit date is confirmed with the client. This will inform the basis of the timelines for the four week and twelve week date follow up.</td>
<td>A count will be made on the central smoking cessation database of patients for MDS submission for new quit attempts that meet the validation requirements that have not been remunerated.</td>
</tr>
<tr>
<td>Event B</td>
<td>To be electronically submitted immediately after the four week post quit date and not later than six weeks from the confirmed quit date</td>
<td>A count will be made on the central smoking cessation database of patients for MDS submission for the four week stage that meet the validation requirements that have not been remunerated.</td>
</tr>
<tr>
<td>Event C</td>
<td>To be electronically submitted immediately after the twelve week post quit date and not later than sixteen weeks from the confirmed quit date</td>
<td>A count will be made on the central smoking cessation database of patients for MDS submission for the twelve week stage that meet the validation requirements that have not been remunerated.</td>
</tr>
</tbody>
</table>

The client count will be made at the end of the calendar month.

Capitation payment in respect of clients at Event A: £30
Capitation payment in respect of clients at Event B: £15
Capitation payment in respect of clients at Event C: £35

**PHS Emergency Hormonal Contraception (Sexual Health)**

All contractors who have arrangements with NHS Boards for the provision of the Emergency Hormonal Contraception (Sexual Health) will receive a capitation payment of £25 per patient reported by the contractor as receiving PHS EHC treatment.

**PHS Provision of Prophylactic Antipyretic (Paracetamol) following Meningococcal Group B Vaccine**

All contractors who have arrangements with their NHS Board for the provision to support for Meningitis B vaccination programme will receive with April 2017
dispensings a **reduced** monthly payment of **£20**. The balance of the monies from this pool will be redistributed to the *Establishment Payment*.

Contractors should note that following a change in licencing the National Patient Group Direction (PGD) outlined in circular PCA(P)(2015)25 is no longer required for the dispensing of Prophylactic Antipyretic (Paracetamol).

**Pharmaceutical Needs Weighting Payment – annualised pool £3.845m**

From April 2017 dispensings, all contractors on the list at the start of the dispensing month and in receipt of a Dispensing Pool Payment, will be eligible for the period April 2017 – March 2018 for a Pharmaceutical Needs Weighting Payment. This acknowledges the additional pharmaceutical needs arising from age of deprivation characteristics of the post code of presenting patients. For dispensing months April 2017 onwards it will be calculated from a **monthly pool of £0.320m**.

For each contractor the following has been identified:

- Proportion of dispensing patients aged 60 or over
- The percentage of dispensing patients with postcodes in the two most deprived quintiles according to the Scottish Index of Multiple Deprivation (SIMD)

Two indices will be calculated in accordance with the following table and those two discrete indices are averaged to produce a **combined index** which is the weighting to be applied.

<table>
<thead>
<tr>
<th>Age</th>
<th>SIMD</th>
</tr>
</thead>
<tbody>
<tr>
<td>75% or more of patients under 60 years</td>
<td>1.0</td>
</tr>
<tr>
<td>Between 65% - 75% of patients under 60 years</td>
<td>1.2</td>
</tr>
<tr>
<td>Between 65% - 75% of patients under 60 years, with more 75+ than 60 – 74</td>
<td>1.3</td>
</tr>
<tr>
<td>Between 55% - 65% of patients under 60 years</td>
<td>1.4</td>
</tr>
<tr>
<td>Between 55% - 65% of patients under 60 years, with more 75+ than 60 – 74</td>
<td>1.5</td>
</tr>
<tr>
<td>Between 45% - 55% of patients under 60 years</td>
<td>1.6</td>
</tr>
<tr>
<td>Between 45% - 55% of patients under 60 years, with more 75+ than 60 – 74</td>
<td>1.7</td>
</tr>
<tr>
<td>Between 35% - 45% of patients under 60 years</td>
<td>1.8</td>
</tr>
<tr>
<td>Less than 35% of patients under 60 years</td>
<td>2.0</td>
</tr>
</tbody>
</table>

The combined index will be applied to the monthly pool, derived from the total transitional payments available for redistribution to determine the Pharmaceutical Needs Weighting Payment for each contractor. Contractors added to the list between 1 April 2017 and 31 March 2018 inclusive and/or without any dispensing history in the reference period will receive a **proxy monthly Pharmaceutical Needs Weighting Payment** calculated using a **combined index of 1.0**.
**Care Home Dispensing Payment – annualised pool £3.815m**

Arrangements for Care Home Dispensing Payments to all qualifying contractors continue from April 2017 as follows:

An annual pool of **£3.815m** for the year 2017-18 is to be distributed quarterly (quarterly pool of **£0.954m** between all contractors.

For the dispensing period April 2017 – June 2017 eligible contractors must have been on the list at 1st April 2017 and to have been on the list from the full reference period (1st September 2016 – 30th November 2016).

The amount paid to each contractor is calculated on analysis by ISD of the identifiable CHI numbers on prescription items processed by each contractor in that reference period (1st September 2016 – 30th November 2016) relating to patients in care homes as a percentage of all prescription items.

A tolerance factor applies that contractors whose historic dispensing for patients in care homes was less than 2.5% of the total will be regarded as having no substantive care home activity.

For quarterly dispensing periods commencing July 2017 onwards eligibility contractors must be on the list on the first day of the quarter concerned. Payments to eligible contractors will also continue to be updated quarterly on the basis of the same annual pool of **£3.815m**.

**Stock Order on Costs – annualised pool £1.413m**

The on cost allowance for items (except pneumococcal vaccines) ordered by General Medical Practitioners on From GP10A as 17.5% of the net ingredient cost, calculated in accordance with paragraph 16 of Part 1 of the Drug Tariff.

**Guaranteed Minimum Target Income for Essential Small Pharmacy (ESP) – annualised pool £0.124m**

The total Establishment Payment plus Dispensing Pool plus Pharmaceutical Needs Weighting Payment made to an ESP each month, from July 2017 dispensing, are subject to a guarantee minimum target income of **£3,804** for full time contractors.

An equivalent guarantee for part time contractors is calculated as follows:

<table>
<thead>
<tr>
<th>Hours Contractor Open</th>
<th>% of Single Flat rate Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;5&lt;=10</td>
<td>60%</td>
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<tr>
<td>&gt;10&lt;=15</td>
<td>75%</td>
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<tr>
<td>&gt;15&lt;=20</td>
<td>85%</td>
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<td>&gt;20&lt;=25</td>
<td>90%</td>
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<td>&gt;25&lt;=30</td>
<td>95%</td>
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<tr>
<td>&gt;30</td>
<td>100%</td>
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</table>

The total of Establishment Payment plus Dispensing Pool plus Pharmaceutical Needs Weighting Payment to be made to an ESP each month will be calculated as for all other contractors and if that aggregate is less than the level of the guaranteed minimum payment at a top up – the Essential Small Pharmacy Allowance – equivalent to the shortfall will be paid for the months concerned.
Eligibility for the ESP requires a contractor to be included on the register of essential small pharmacies held by their host NHS Board. Contractors taking over an existing ESP must have their continued inclusion in the ESP register approved by the Health Board.

**Measured and Fitted Fee – annualised pool £0.147m**

For dispensings April 2017 onwards, a measured and fitted fee of £25 is payable in respect of hosiery and trusses and all lymphedema garments which have been ‘measured and fitted’ if the prescription concerned is submitted for reimbursement appropriately endorsed ‘measured and fitted’.

**Other Payments**

All other payments to community pharmacy contractors which are not set centrally under the Pharmaceutical Service arrangements e.g. locally set fees for methadone dispensing etc. and centrally set fees for non Pharmaceutical Services such as stoma appliance dispensing services will continue unchanged unless otherwise notified.

**Arrangements for contractors added to the list from 1st April 2017 onwards**

Where a contractor is added to the list at 1st April 2017, they will be invited by NHS NSS to confirm whether they are a totally new contractor or whether they are taking over an existing contractor already on the Pharmaceutical List and in the same location.

A completely new contractor will be eligible for individual payments in accordance with the specific arrangements as detailed in Annex A of this circular.

Those contractors who are taking over an existing contractor will for the purpose of calculation payments to be made, be assumed to inherit the characteristics, dispensing history, and stabilisation arrangements etc. of the predecessor contractor.

**Calculation of advance payments**

The method of calculation of advance payments to community pharmacy contractors in respect of centrally set remuneration and reimbursement for dispensing months April 2017 onwards is as follows:

The advance payment for dispensing months February – March inclusive is calculated as 90% of the 12 month mean monthly payment made to each contractor or its predecessor over the immediately preceding 12 month period for which calculated actual gross payments for the remuneration payments and reimbursements are available, at the time the advance payment is calculated.

For the dispensing month of December the advance payment rate is 100%.
For the dispensing month of January the advance payment rate is 95%.

Where a contractor or its predecessor has a history of less than 12 months actual payments at the time the advance is calculated, it will be calculated as 90% (or 100% for dispensing month December or 95% for dispensing month January) of the mean of the number of actual months for which data is available.
For brand new contractors the advance payment will be calculated as follows:

- Month 1 advance = \((\text{no. of days open}/31) \times £18,000\)
- For contractors who opened on the 1st of the month, their month 2 and subsequent advance will be calculated as the % applied to advance payments for all contractors as above for that month of the mean of the number of actual months which data is available.
- For contractors who opened on the month, their month 2 advance will equal: \((\text{no. of days}/31) \times £18,000\); month 3 and subsequent advances until a 12 month history is available will be calculated as the % applied to advance payments for all contractors as above for that month of the mean of the number of actual months for which data is available.

**Contractors in exceptional circumstances**

Where a contractor has been subject to specific exceptional circumstances resulting in an interruption or delay in start of business operation i.e. due to fire, flood or another exceptional circumstance which in the Board’s opinion was outwith the contractors control and as a result the premises are rendered unfit for trade, the Board may, at its discretion, grant an application from the contractor for a payment or proportion of a payment stated in the Drug Tariff and which would otherwise have been paid, provided the Board is satisfied that it would be reasonable to do so. Nothing in this paragraph removes the need for contractors to conduct their business with normal commercial diligence and to be appropriately insured.