

Baby Friendly
Designation Phase

Formula Attestation

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Purpose of Attestation:

To determine if the facility is paying a “fair market” price for formula, and not receiving any discounted rates.



“A facility may not simply pay the fair market price paid by another facility, system or buying group.”



Fair market price must be paid for ALL formulas, and fortifiers, including for NICU and pediatrics, including specialty formulas.

Fair market price must be paid for bottles, nipples, pacifiers and any other “feeding devices.”

How do you determine fair market value?

- * Option 1- Use the worksheet
- * Take 5 commonly used OB items that can be purchased at a retail store or Amazon.
- * Find out what the facility pays for each item
 - * Example – gel pads for \$3.62
- * Find out the retail price for each item
 - * Amazon - \$12.07
- * Your facility pays 30% of the market value for this item
- * Another item might be 20%
- * Your average would be 25% (if you were just averaging 2 items).

What is your average percentage for the five items?

Retail	Facility cost and percentage
* Gel pads - \$12.07/1 pair	* \$3.62 – 30%
* Peri pads - \$0.25/each	* \$0.04 – 16%
* Witch hazel pads - \$4.99/40/tub	* \$1.92 – 38%
* Diapers - \$0.25/each	* \$0.06 – 25%
* Stool Softener - \$15.97/100 caps	* \$3.08 – 19%

Average of 26%

What is the price of formula in retail stores?

What do you pay for formula and feeding tools? It must be the same percentage as you are paying for your other items

Example

- * Average percent of retail 25%
- * Retail cost of 2 oz bottle of formula \$1.39
 - * Bottles are not sold individually, so just determine the unit cost
- * $\$1.39 \times 25\% = \$0.35/\text{bottle}$
- * You must be paying \$0.35 per bottle or more
- * Apply this percentage to all formulas and feeding tools

Option 2

“My facility participates in a purchasing group, which has supplied me with the data for the % of retail paid for infant formula, bottles and nipples as well as 5 commonly used items on maternity. (The % of retail paid for items procured from a purchasing group must be comparable to the % of retail paid by the facility for 5 commonly used OB items procured by the facility through that same purchasing group.)

You will have to send in your attestation, with your calculations before the site visit and have the calculations available during the site visit as well.

IMPORTANT!

Assessors will need to SEE 3 current months of PAID invoices during the on-site assessment.