

**UWMC Calculation of Formula Cost**  
**Figure Based on Baby-Friendly USA Method of Calculation**

Method of Formula Calculation:

Find 5 OB items that can be purchased at local store

1. Find hospital cost for each item
2. Calculate retail mark-up of each item
3. Calculate percentage of discount hospital receives compared to retail cost
4. Apply the average discount percentage found towards the purchase of formula

**Cost of Items Found at Local Everett Wal-Mart and Rite Aid as of July 2009**

	<b>UWMC Cost</b>	<b>Retail Mark-up</b>	<b>%Discount</b>
1. Pampers "Swaddlers" Newborn:	\$0.06 each	\$0.23 each	74%
2. Digital Thermometer	\$3.46	\$6.99	50%
3. Digital Thermometer Covers	\$1.27	\$3.49	64%
4. Tucks (generic)	\$1.44	\$3.99	64%
5. Avent Newborn Bottle	\$2.50	\$8.49	71%
		<i>Average of discount equals 65%</i>	

**Cost of Formula as of July 2009**

Wal-Mart:	Similac Advance singles powder:	\$10.17/16pk
	Similac Advance can of concentrate:	\$4.17/13oz
	Similac Advance ready to feed 32oz:	\$5.50 /\$0.17 per oz

Similac is available to hospitals in 2oz ready to feed bottles:

\$0.17 x 2oz = \$0.34 per 2oz bottle

**With average hospital discount: 0.34 x 65% discount = \$0.22 per 2oz bottle**

We are paying:	<b>Amount paid over and above average discount</b>
\$0.25 for each 2oz bottle of 20 cal Advance	<b>(8% greater than average would be)</b>
\$9.26 for the box of 16 of powder singles	<b>(26% greater than average would be)</b>
\$4.08 for the can of liquid concentrate	<b>(33% greater than average would be)</b>