

Becoming Baby-Friendly: Overcoming the Issue of Accepting Free Formula

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Baby-Friendly is a World Health Organization/UNICEF international designation that is awarded to hospitals or birthing sites that meet certain criteria related to supporting and promoting breastfeeding.¹ Those criteria are called the Ten Steps to Successful Breastfeeding (see Table 1). This article focuses on Step 6 of the Ten Steps: "Give newborn infants no food or drink other than breast milk, unless medically indicated." To comply fully with the Baby-Friendly Hospital Initiative, an institution must pay fair market price for all formula and infant-feeding supplies that it uses, and it cannot accept free or heavily discounted formula and supplies. In our view, it is not surprising that many hospitals have major problems achieving this step to being designated Baby-Friendly. When a hospital is already receiving free formula, breastfeeding advocates are put in the difficult position of persuading administrators to reverse a trend and pay for a product that is usually free.

The majority of US hospitals do not purchase infant formula and related products such as nipples, glucose water, and pacifiers. In addition, many institutions also

accept free discharge bags, supplies, literature, videos, and other gifts from formula companies, such as lunches, pens, calendars, and trips (Marsha Walker, personal communication, January 2000). Products such as hospital discharge bags that contain formula samples have been shown to adversely affect breastfeeding initiation and duration rates.^{2,3} After being designated a baby-friendly hospital in December 1999, Boston Medical Center (BMC) received many calls and e-mails on the topic of paying for formula. During BMC's journey toward Baby-Friendly designation, paying for formula was a key issue, and information on the topic was hard to find. This article addresses the gray area surrounding paying for formula and offers practical solutions for other hospitals interested in the Baby-Friendly certification process.

Background

BMC is a private, not-for-profit institution formed in 1996 by the merger of Boston City Hospital, a public (city-run) hospital, and University Hospital, a private institution. Pediatric and maternity services are provided at the Harrison Pavilion (the former Boston City Hospital), and the pediatric and maternity clientele has not changed since the institutions merged. In 1998, BMC had 1,600 births and served a population composed mainly of African Americans, Hispanics, recent immigrants, and the urban poor. In addition to the BMC Birth Place, the hospital has a 15-bed, Level III neonatal intensive care unit (NICU) with 320 admissions per year.

The history of formula purchase at BMC is complex. During the 1970s, three formula companies provided free formula to Boston City Hospital on a rotating basis,

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Table 1. Ten Steps to Successful Breastfeeding

1. Have a written breastfeeding policy that is routinely communicated to all health care staff.
2. Train all health care staff in skills necessary to implement this policy.
3. Inform all pregnant women about the benefits of breastfeeding.
4. Help mothers to initiate breastfeeding within 1 hour of birth.
5. Show mothers how to breastfeed and how to maintain lactation, even if they should be separated from their infants.
6. Give newborn infants no food or drink other than breast milk, unless medically indicated.
7. Practice rooming-in—allow mothers and infants to remain together 24 hours a day.
8. Encourage breastfeeding on demand.
9. Give no artificial teats or pacifiers to breastfeeding infants.
10. Foster the establishment of breastfeeding support groups and refer mothers to them on discharge from the hospital or clinic.

SOURCE: WHO/UNICEF Baby-Friendly Hospital Initiative: 1. The Global Criteria for the WHO/UNICEF Baby-Friendly Hospital Initiative. Geneva, Switzerland: WHO/UNICEF; 1992.

with the supplier changing every 4 months. In the 1980s, formula companies began competing to have their products used in the hospital. Offers included free formula and monies for other services such as fellowships, laboratory support, conferences, and patient transportation.

In 1993, Formula Company A won the Massachusetts contract for providing formula to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). In 1995, the WIC contract for the New England states, which negotiated as a group, went to Formula Company B (Deborah Krauter, personal communication, January 2000). Many patients at Boston City Hospital received WIC benefits. Free formula offered to mothers and hospitals is a form of advertising. Formula companies anticipate that women will continue to use their brand of formula when the women leave the hospital. However, formula-feeding women receiving WIC benefits automatically use whatever brand of formula is supplied by WIC. The brand of formula will depend on whichever company has the current state contract with WIC. When large numbers of women on WIC deliver at a particular hospital, formula companies may be less interested in offering free formula to that hospital because most of the women will not continue to use their brand of formula after discharge. We are unsure as to whether this is what happened at Boston City Hospital, but throughout most of the 1990s, there were no bids from formula companies, and the institution was paying for formula. In 1994, Boston City Hospital received its first certificate of intent for Baby-Friendly designation, but the certificate later expired.

In 1996, Boston City Hospital merged with University Hospital to become BMC. At the same time, the pediatric residency program merged with the pediatric residency program at Children's Hospital in Boston, and the number of pediatric residents rose from 30 to 108. The multidisciplinary BMC Baby-Friendly Task Force was formed in September 1997 and grew to more than 40 members, with representatives from pediatrics, obstetrics and gynecology, midwifery, family medicine, nursing, postpartum, the NICU, prenatal services (the Women's Center, a private doctors' group, and the Adolescent Center), WIC, and associated neighborhood health centers. The task force obtained a certificate of intent as the initial step in the process of being designated Baby-Friendly.

In February 1998, Formula Company C entered into a 3-year agreement to provide BMC with free formula and numerous related products. The task force was not aware of this new agreement. It was only when task force members began reviewing formula company receipts in early 1999, in preparation for the Baby-Friendly site visit (a hospital must demonstrate a prior and current record of purchase of formula during the assessment visit), that the task force realized that Formula Company C had begun giving free formula to BMC.

The head of nutritional services collated the invoices of the formula company free items, listing more than 30 different products supplied by the company free of charge, and informed the task force that the amount of formula and formula company products promised for free totaled approximately \$6,000 per month, or \$72,000 per year.

Formula company products listed as being free of charge included diaper discharge bags, which were not, in fact, being used at BMC because the task force had insisted they not be distributed. Ceasing distribution of discharge bags caused an outcry among many staff members who were displeased that new mothers in other Boston hospitals were receiving gifts that we were denying to BMC's own needier patients. Addressing this concern, the Kids Fund, a BMC pediatric department charity, funded a discharge bag bearing the BMC logo, which is given to all new mothers. The bag contains diapers, a picture frame, infant nail clippers, a thermometer, a baby bib, diaper cream, a mother's water bottle with the breastfeeding support line telephone number printed on it, and nursing pads.

At this point, the task force faced a crisis. After 2 years of work, the task force had 9 of the 10 steps in place but suddenly needed a significant amount of money to over-

come this final hurdle. The task force also needed evidence to support its argument that the hospital could not possibly be using the \$72,000 to \$100,000 worth of formula that was being cited at senior management meetings.

Problem-Solving Approach

To substantiate the task force's belief that the items in the agreement were in excess of the hospital's need, representatives from each department (the postpartum unit, the NICU, the pediatric wards, the emergency department, and outpatient services) surveyed the amount of formula actually being used. The NICU was the most expensive area, using approximately 92 bottles a week. NICU costs were high because of expensive special formulas for premature infants and specialty feeding bottles and nipples. In the spring of 1998, the postpartum unit's breastfeeding initiation rate was approximately 80%, and the NICU initiation rate was around 75%. Initiation rate includes any baby that begins breastfeeding in the hospital, even if supplements are given by the mother. A survey conducted by the task force confirmed that either the hospital was using far less formula than was listed or more formula was entering the hospital than was being used. At the very least, it was clear that, as a free product, formula was being used liberally throughout the hospital, without concern for cost.

Besides estimating the amount of formula used, task force members worked to determine a fair market cost for formula. Baby-Friendly USA's guidelines require that formula be "purchased by the facility at a fair market value in the same competitive manner as other foods and medical supplies."⁴ International guidelines identify that a fair price must be within 80% of retail cost. However, given the complexities of hospital purchasing and the fact that most hospitals do not pay for formula, there are few standards by which to ascertain a fair price for formula. As part of the technical assistance provided to certificate-of-intent hospitals, Baby-Friendly USA supplied the task force with its publication "A Worksheet for Estimating the Cost of Infant Formula"⁴ but could not cite a specific price per bottle because of concerns about price fixing. The task force also contacted the National Alliance for Breastfeeding Advocacy and other Baby-Friendly hospitals.

After many phone calls and discussions, the task force concluded that, based on 1998 figures, a price of \$0.15 to \$0.20 per bottle (whether the bottles were 2 oz. or 4 oz. was irrelevant to cost) would be a realistic figure

on which to base negotiations acceptable to BMC, the formula company, and baby-friendly criteria. Based on \$0.20 per bottle, 1,600 births per year, a breastfeeding initiation rate of approximately 80%, and the amount of formula actually used, the task force came up with an estimated annual total cost for formula and formula products of around \$20,000 per year for BMC. This was a far cry from the original \$72,000 figure.

Outcome

Negotiations of formula purchase are complicated by the need for good will and fair negotiations with the formula company, which has a vested interest in retaining the status quo. Faced with hospital administrators who work hard to get the best deal on all products in a financially constrained situation and a formula company whose best deal is offering formula free of charge, practical negotiations of payment are almost laughable. For example, during early negotiations, one administrator suggested we pay \$1,000 per year for formula, a competitive price compared to other hospitals that were not paying for formula. While frustrating to task force members, the argument had some validity. From there, the suggested offer rose to \$3,000 and then to 5 cents per bottle before task force members convinced administrators of the implications of fair market value and the need to pass the site visit.

In some cases, ethics committees can be of help in this issue. The ethics committee in one hospital blocked the routine distribution of free formula company diaper bags because the members viewed such distribution as bypassing informed consent, prioritizing financial issues above patient care, and implying medical endorsement of formula, all of which amounted to acceptance of a bribe.⁵ Many US military hospitals do not accept free formula because it is not considered ethical (Marsha Walker, personal communication, January 2000).

BMC's negotiations, however, involved the direct support of top administrators, who were approached by the task force founder, a senior pediatrician. She presented them with the health benefits of breastfeeding, as outlined by the American Academy of Pediatrics⁶; with the fact that all the other steps were in place for Baby-Friendly designation; and with the task force's data and calculations about formula use. Several arguments proved useful for the task force. The task force could cite a united groundswell of support from pediatrics, obstetrics, nursing, midwifery, associated neighborhood

health centers, and WIC. The hospital's own insurance plan, the Boston Medical Center HealthNet Plan, supported the task force, impressed by the cost savings of breastfeeding. These cost savings have been calculated as being between \$331 and \$475 per child in 1 year, based on less frequent episodes of three common illnesses—otitis media, diarrhea, and lower respiratory tract infections—for breastfed infants when compared with formula-fed babies.⁷ Administrators also hoped the Baby-Friendly title would encourage more women to give birth at BMC. After several months of discussion, to the jubilation of the task force members, senior management agreed that the relatively low annual cost of formula should not stand in the way of gaining the esteemed Baby-Friendly status.

Once the task force gained the support of top-level administration, all that remained was to negotiate a new deal with the formula company, which was a time-consuming process. Although BMC was part way through a 3-year agreement, there was no problem terminating the deal, and formula company representatives cooperated agreeably. After several months, a new arrangement was reached, and 2 months prior to the inspection for Baby-Friendly designation in September 1999, BMC began paying for formula.

Since that time, expenditure on formula and other formula company products that were previously free of charge has been closely monitored. BMC's average monthly cost is around \$1,400, with a projected annual cost of \$16,800: lower than the original estimates. Since all departments know the hospital is now paying for formula, its distribution is carefully monitored. Access to formula is more carefully controlled than before. For example, formula was previously delivered to storage closets accessible to all staff on the postpartum unit. Now it is stocked only in the rarely used nursery. Because the nursery is some distance from the mothers' rooms, formula is less readily available, the temptation to unnecessarily hand out formula has been reduced, and auxiliary hospital staff no longer have easy access to formula.

The task force's efforts to achieve the Ten Steps to Successful Breastfeeding and to purchase infant formula were well rewarded. In December 1999, BMC was awarded Baby-Friendly status. Currently, there are approximately 15,000 hospitals worldwide with Baby-Friendly status. BMC was the 22nd US hospital to be designated Baby-Friendly and the first in Massachusetts.

Summary

Although, in the current financial climate, paying for formula is a difficult step for US hospitals, demystifying the process helps. Actual formula costs may be lower than perceived costs because agreements with formula companies may list unnecessary or unused products and services. Fair market value is difficult to define, but by contacting other hospitals with Baby-Friendly status, those costs can be determined. While we do not recommend that other institutions forge ahead on the track to Baby-Friendly designation without considering the formula issue, we would encourage them to apply for the certificate of intent and begin work, even if it is not immediately clear how the hospital will pay for formula. Each of the Ten Steps takes the hospital along an important course, is never wasted effort, and increases the number of breastfeeding mothers (thereby reducing formula costs). Demonstrating a willingness to invest time and energy for the benefit of patients and the institution as a whole is valuable when requesting support for formula payment. Hospital administrators, who may make the final decision regarding formula payment, will be more willing to listen to breastfeeding advocates if they have already accomplished significant goals within the institution and have collected supporting data. The authors conclude that although for BMC not accepting free formula was the most difficult barrier to overcome on the path to Baby-Friendly designation, it was not insurmountable, and we hope other institutions will be helped by learning how we dealt with this problem.

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