Girling Formula for Prosthetic and Orthotic Devices

The Girling Formula is used to calculate the maximum PharmaCare reimbursement for components. The formula is based on an incremental percentage markup on the listed cost of an item (see below chart).

Percentage Increment Chart

Catalogue price in CAD \$	Markup (%)	Markup Amount (\$)	Costed out at	Imported item markup (%)	Imported item costed out at
Up to \$500	100%	\$500	\$1,000	120%	\$1,100
\$501 - \$600	95%	\$595	\$1,195	95%	\$1,295
\$601 - \$700	85%	\$680	\$1,380	85%	\$1,480
\$701 - \$800	75%	\$755	\$1,555	75%	\$1,655
\$801 - \$900	65%	\$820	\$1,720	65%	\$1,820
\$901 - \$1,000	55%	\$875	\$1,875	55%	\$1,975
\$1,001 -\$1,100	45%	\$920	\$2,020	45%	\$2,120
\$1,101 - \$1,200	35%	\$955	\$2,155	35%	\$2,255
\$1,201 - \$1,300	25%	\$980	\$2,280	25%	\$2,280
\$1,301 - \$1,400	25%	\$1,005	\$2,405	25%	\$2,505
\$1,401 - \$1,500	25%	\$1,030	\$2,530	25%	\$2,630
\$1,501 - \$1,600	25%	\$1,055	\$2,655	25%	\$2,755
\$1,601 - \$1,700	25%	\$1,080	\$2,780	25%	\$2,880
\$1,701 - \$1,800	25%	\$1,105	\$2,905	25%	\$3,005
\$1,801 - \$1,900	25%	\$1,130	\$3,030	25%	\$3,130
\$1,901 - \$2,000	25%	\$1,155	\$3,155	25%	\$3,255
\$2,001 - \$2,100	25%	\$1,180	\$3,280	25%	\$3,380
\$2,101 - \$2,200	25%	\$1,205	\$3,405	25%	\$3,505
\$2,201 - \$2,300	25%	\$1,230	\$3,530	25%	\$3,630
\$2,301 - \$2,400	25%	\$1,255	\$3,655	25%	\$3,755
\$2,401 - \$2,500	25%	\$1,280	\$3,780	25%	\$3,880
\$2,501 - \$2,600	25%	\$1,305	\$3,905	25%	\$4,005
\$2,601 - \$2,700	25%	\$1,330	\$4,030	25%	\$4,130
\$2,701 - \$2,800	25%	\$1,355	\$4,155	25%	\$4,255
\$2,801 - \$2,900	25%	\$1,380	\$4,280	25%	\$4,380
\$2,901 - \$3,000	25%	\$1,405	\$4,405	25%	\$4,505

etc.

To calculate the Girling Formula, use the following procedure:

1. Use the correct band for the listed price of an item by finding the *closest* value under the Catalogue price column that doesn't exceed the listed price.

Example: For a list price of \$788, refer to band value \$601-\$700. This will show you the markup percentage and costed out amount for the first \$700 of the \$788.

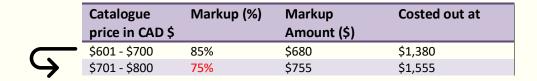
2. Determine whether the item is imported or not and identify the corresponding costed out amount. (i.e., "costed out at" column OR "imported item costed out at" column). The "costed out" amount is inclusive of the base price and the incremental markups up to that value.

Example: A non-imported item costing \$788 will have a costed out amount of \$1,380. If the item was imported, you would use the imported costed out amount. (Note: remember, this amount is based on the first \$700. You still need to calculate the markup on the remaining balance of \$88.)

Catalogue price in CAD \$	Markup (%)	Markup Amount (\$)	Costed out at	Imported item markup (%)	Imported item costed out at
\$601 - \$700	85%	\$680	\$1,380	85%	\$1,480

3. Next, calculate the markup on the remaining balance, based on the total price, by referring to the next row down in the increment chart.

Example: Continuing our example from step 1, there is a remainder of \$88 of which we still must calculate the markup. Since the total price is \$788, refer to the next row down in the increment chart (\$701 - \$800) and use this band to calculate markup on the remaining balance.



\$88 x 75% markup = \$66

4. Add together the costed out amount from step 2, the remainder, and the markup on the remainder. Your total is the Girling amount that should be used when applying for, or billing PharmaCare.

Example: For a non-imported item costing \$788, the costed out amount of \$1,380 is added to the remainder \$88 and the markup amount of \$66.

\$1,380 + \$88 + \$66 = The total Girling amount is \$1,534

Note: To calculate the cost-out amount for items with a catalogue price of below \$500, multiply the price by two. For imported items with a Canadian dollar price of below \$500, multiply the amount by 2.2 to allow for the brokerage and extra freight charges.