



# Is Cost-Plus Right for Me? Weighing the Risks and Rewards for Your Pharmacy

Kyle McCormick, PharmD

Owner, Blueberry Pharmacy | Cost-Plus Pharmacy Consulting

# Disclosure Statement

Kyle McCormick has/had a financial interest with Cost-Plus Pharmacy Consulting and the relationship has been mitigated through peer review of this presentation. There are no relevant financial relationships with ACPE defined commercial interests for anyone else in control of the content of the activity.

This presentation contains product names and images for educational purposes only. It is not meant to be an endorsement or advertisement of any particular product or product categories.

# Pharmacist and Technician Learning Objectives

1. Compare and contrast a third-party-based pharmacy model with the cost-plus pharmacy model.
2. Discuss key considerations and potential barriers to launching a cost-plus pharmacy.
3. Evaluate whether the cost-plus model is a good fit for your pharmacy and community.
4. Summarize effective marketing and outreach strategies for educating patients, prescribers, and health care decision-makers (e.g., legislators, payers).

# Speaker



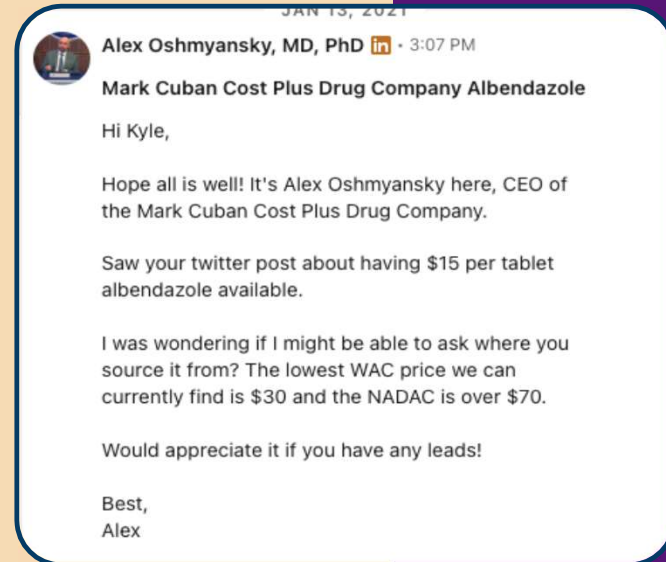
Kyle McCormick

Owner

Blueberry Pharmacy | Cost-Plus Pharmacy Consulting

# Background

- Blueberry Pharmacy - founded 2020
- Our Key Metrics
  - 9400+ Patients Served
  - 2000 Members
- Cost-plus Model Growth
  - 29 Community Locations, 1 Billionaire-backed Mail Order
  - Mentions in FTC report on PBMS, Axios, NPR, NBC News, and more!
  - 100+ students on rotation
  - Countless presentations and podcasts





# Background



2009-2012

Findley's Pharmacy



2010-2013

University Pharmacy



2017-2019

Hometown Apothecary



2014-2020

Gatti Pharmacy



# In the News...

**THE U.S. Sun** US Edition ▾

News Sport TV Entertainment **Money** Tech Motors

News Real Estate Retail Tips




Money > News Money

**SAY GOODBYE CVS closing 270 more stores in 2025 leaving millions of patients in the lurch after Rite Aid & Walgreens closures**



Plus, details on the new store plans CVS has moving forward

[Jacob Willeford](#), Consumer Reporter

Published: 17:00 ET, May 18 2025

   **NEW YORK POST** [LOG IN](#)

RECOMMENDED

 Goodyear executive Chris Delaney's mistress arrested for... Porsche dealership co-owner resigns over antisemitic text...


## Rite Aid sells pharmacy assets from 1K stores to rivals — including CVS, Walgreens — after second bankruptcy filing

By [Taylor Herzlich](#)  
Published May 16, 2025, 1:17 p.m. ET





13

NEWS

## Walgreens closing 1,200 stores nationwide. See list of pharmacy locations closing near you

 **Maria Francis**  
USA TODAY NETWORK

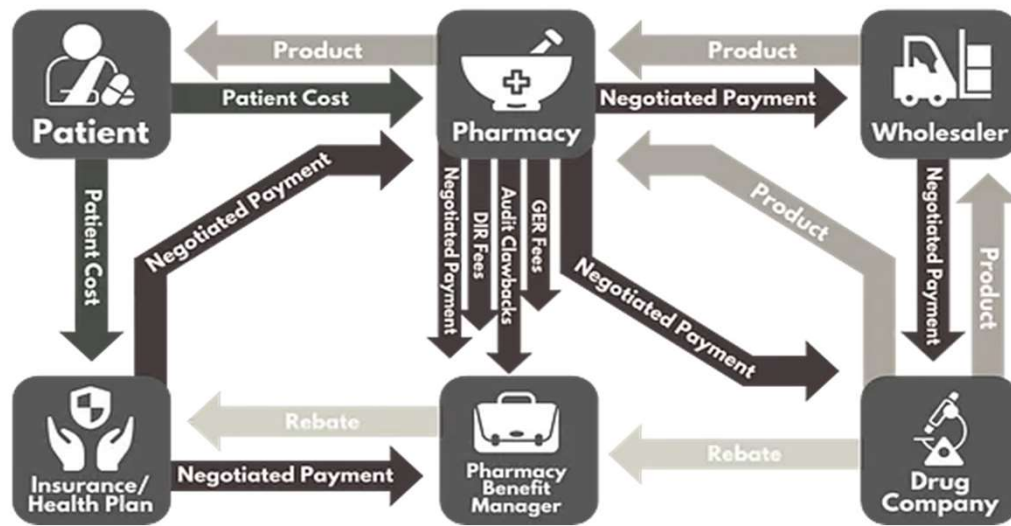
May 16, 2025, 11:58 a.m. ET



# Which Improves Patient Access?

## Traditional Model



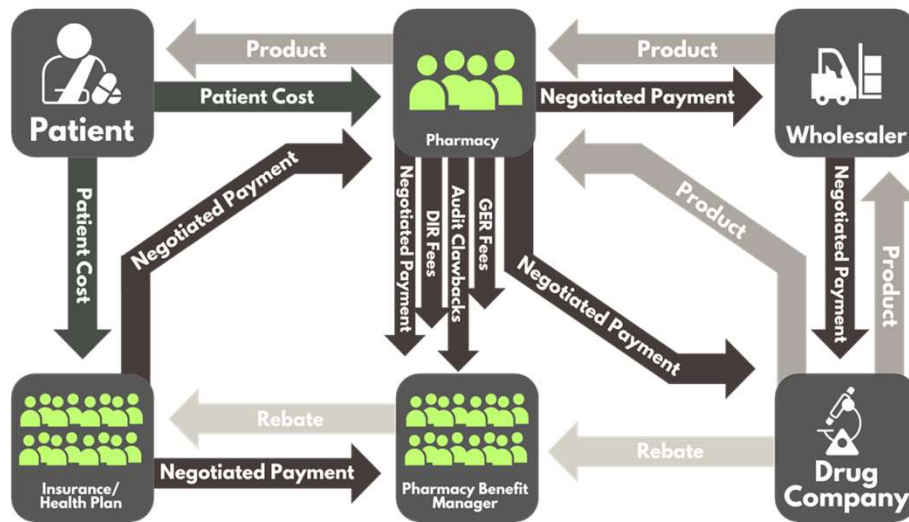
A

## Cost-plus Model



B

# Which One Costs Less?



**A**

 = **Employee Count**



**B**

# Which Seems Fairer?

TRADITIONAL  
pharmacy



Cost-Plus  
*pharmacy*

CVS is therefore concerned not only with the fact that the statements made in the advertisement are not true, but also that the statements materially mislead consumers, constituting false advertising. Consumers seeing these advertisements will believe CVS engages in price discrimination and may perhaps be persuaded not to purchase medication from CVS. The misinformation creates confusion amongst consumers at the expense of the goodwill and reputation of the CVS brand. A consumer may be further confused from the advertisement because the prices may not match the prices offered at their local CVS. In particular, the prices

Single parent, part-time  
employee with marketplace  
insurance.....**\$30**  
  
Full-time employee with  
YYYY coverage.....**\$20**



Based on aripiprazole 10mg, 30 tablets

A

B

# Trends

- Decreasing reimbursement
- Increasing fees
- Narrowing networks
- Increasing out-of-pocket costs for patients (high-deductible plans)
- Generic drug deflation
- Increasing generic utilization
- Limited payment for services

# The Great Divide

## Brand/Specialty/High Cost

- >\$100
- <10% of meds
- Insurable product
- Make more sense as a mail order product



MSRP: \$999.00

NCPA  
NATIONAL COMMUNITY  
PHARMACISTS ASSOCIATION

Which would you  
buy insurance for?

## Generic

- Average Acq: \$0.12/unit
- >90% of meds, and increasing
- Uninsurable product



MSRP: \$9.34

**RBC** **DENVER**  
Cardinal Health  
JULY 9-12, 2025



# Case for a Transparent Generic Marketplace

## Current

- Insurance mail order copay: \$0
- Independent pharmacy copay: \$20

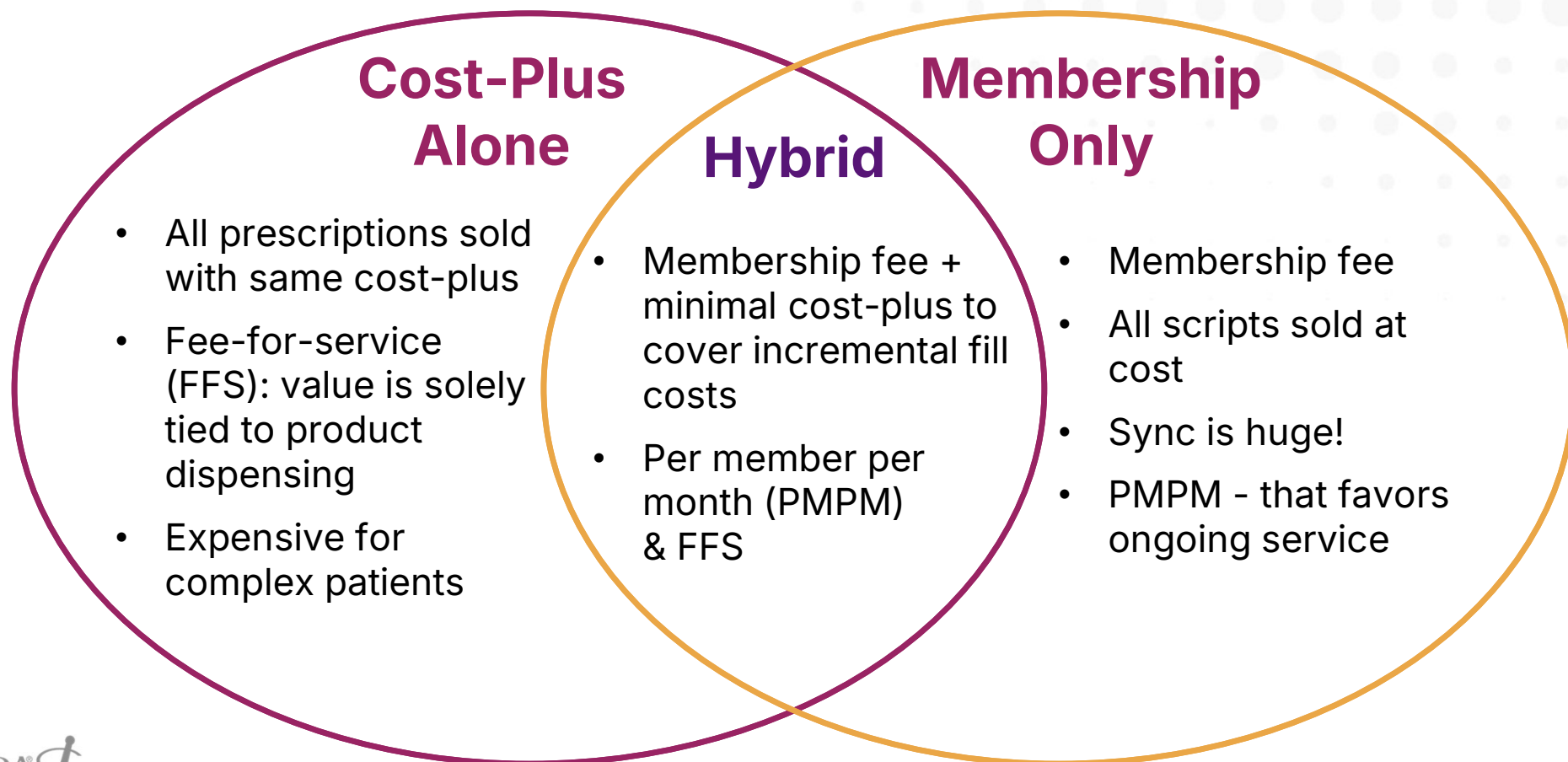
## Transparent Generic Marketplace

- Walmart: \$10
- Independent pharmacy: \$12

**Which scenario is a fairer playing field?**

**Which scenario does service, quality, convenience, etc. matter most?**

# Cost-Plus Models



# Consistency

	Employer Bill	Employee Copay
PPI TAB 40 MG	0	62.15
PPI TAB 40 MG	16.26	30
PPI TAB 40 MG	30.67	30
PPI TAB 40 MG	24.80	30
PPI TAB 40 MG	6.21	30



**Cost-Plus**  
*pharmacy*

**PPI 40 mg**  
**\$8.53**

# Freedom

- Complete control of margin
- NO fees
- No wholesaler requirements in order to optimize brand purchases
- Removes all middlemen in the generic drug space (PSAO, PBM, coupon companies, auditing companies, audit protection companies, non-dispensing “hub” pharmacies, switches)

# Inverse Cash Flow

## Cash Flow Overview

- Day -10 to 0: Order medication from wholesaler
- Day -1 to 0: Script arrives at pharmacy
- Day -1 to 0: Patient's copay
- Day 0: Pick up
- Day 15-30: Owe wholesaler

## Optional

- [Day 35-50: Payment of wholesaler via final payment of credit card balance]



# Recurring Revenue Bundle

- The highly sought after “Per member per month” paid directly by a patient (no waiting for payer contracts)
- Revenue becomes more predictable
- Internally, we view the membership fee as a “medication management fee”
- Pays dividends as patients become synced and regimens optimized

# Lower Overhead

5 years in, 160 scripts a day...inventory \$47,000 (and could be less!!)

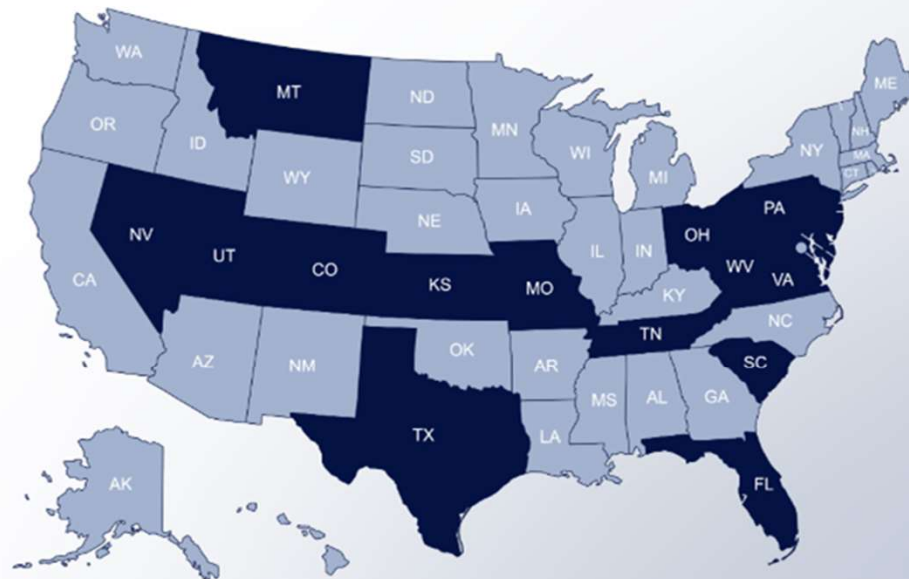
8,800+  
patients



\$50 million+  
estimated savings



Q Select Your State



# Implementation Considerations

- Do you want to own a business?
- Location?
- How is Medicaid done in your state (is it NADAC+, and how might that compare with your cost-plus markup)?



# Assignment

1. Calculate your pharmacy's cost-to-dispense
  - a. Look at your 2024 P&L
  - b. Divide your total expenses by the number of prescriptions filled
2. Run a report to show what % of your business was reimbursed BELOW your store's cost-to-dispense.
3. Run a report to see how many scripts and how much profit was already "insurance-free"
  - a. Search for claims where patient copay is the FULL reimbursement.

**Step 1**

**Define your Worth**

**Step 2**

**Stick to It**

**Step 3**

# Stop the Losses

Prescribed Item	Date Filled	Primary	Gross Profit	Dispensed Item NDC
Paxlovid 300mg/100mg	07/11/2024	Anthem	(\$65.06)	00069532130
Paxlovid 300mg/100mg	06/22/2024	Lifewise of Washin...	(\$61.86)	00069532130
Paxlovid 300mg/100mg	05/13/2024	Bridgespan	(\$58.11)	00069532130
Paxlovid 300mg/100mg	06/27/2024	Careplus D Human...	(\$39.32)	00069532130
Paxlovid 300mg/100mg	07/15/2024	Lifewise of Washin...	(\$36.07)	00069532130
Paxlovid 300mg/100mg	07/08/2024	Lifewise of Washin...	(\$36.07)	00069532130
Paxlovid 300 mg (150 mg...	06/03/2024	Lifewise of Washin...	(\$34.46)	00069532130
Paxlovid 300mg/100mg	09/12/2024	Aetna Part D (Silve...	(\$27.83)	00069532130
Paxlovid 300mg/100mg	06/07/2024	BCBS FEP Plan	(\$26.63)	00069532130
Paxlovid 300mg/100mg	06/03/2024	Aetna Part D (Silve...	(\$24.96)	00069532130
Paxlovid 300mg/100mg	07/29/2024	BC/BS Federal Em...	(\$21.45)	00069532130
Paxlovid 300mg/100mg	07/16/2024	BCBS California 062	(\$16.55)	00069532130
Paxlovid 300mg/100mg	04/12/2024	Navitus-NVTU	(\$16.47)	00069532130
Paxlovid 300mg/100mg	08/02/2024	Navitus-NVTU	(\$15.97)	00069532130
Paxlovid 300mg/100mg	07/29/2024	Navitus-NVT	(\$15.97)	00069532130
Paxlovid 300mg/100mg	08/30/2024	Premera Med Adva...	(\$15.33)	00069532130
Paxlovid 300mg/100mg	08/26/2024	Premera Med Adva...	(\$15.33)	00069532130
Paxlovid 300mg/100mg	07/13/2024	Premera Med Adva...	(\$15.33)	00069532130
Paxlovid 300mg/100mg	07/30/2024	Premera Med Adva...	(\$15.33)	00069532130
Paxlovid 300mg/100mg	07/11/2024	Premera Med Adva...	(\$15.33)	00069532130
Paxlovid 300mg/100mg	07/08/2024	Premera Med Adva...	(\$15.33)	00069532130
Paxlovid 300mg/100mg	06/28/2024	Navitus-NVTU	(\$15.22)	00069532130
Paxlovid 300mg/100mg	05/31/2024	Navitus-NVTU	(\$15.22)	00069532130
Paxlovid 300mg/100mg	05/31/2024	Premera Med Adva...	(\$14.66)	00069532130
Paxlovid 300mg/100mg	06/03/2024	Premera Med Adva...	(\$14.66)	00069532130
Paxlovid 300mg/100mg	06/11/2024	Premera Med Adva...	(\$14.66)	00069532130
Paxlovid 300mg/100mg	08/30/2024	Optumrx Pers	(\$10.97)	00069532130
Paxlovid 300mg/100mg	07/11/2024	Paxlovid Assist Rx	(\$6.79)	00069532130
Paxlovid 300mg/100mg	07/10/2024	Paxlovid Assist Rx	(\$6.79)	00069532130

Paxlovid

# Eliquis

Dispensed Item Name	Date
Eliquis 5 Mg Tablet	2/2/20
Eliquis 5 Mg Tablet	1/5/20
Eliquis 5 Mg Tablet	1/13/20
Eliquis 5 Mg Tablet	2/2/20
Eliquis 5 Mg Tablet	2/7/20
Eliquis 5 Mg Tablet	1/5/20
Eliquis 5 Mg Tablet	1/30/20
Eliquis 2.5 Mg Tablet	1/22/20
Eliquis 5 Mg Tablet	2/5/20
Eliquis 5 Mg Tablet	1/25/20
Eliquis 5 Mg Tablet	6/28/20
Eliquis 5 Mg Tablet	6/1/20
Eliquis 5 Mg Tablet	7/29/20
Eliquis 5 Mg Tablet	9/5/20



**PBM Theft** @PbmTheft · Apr 14, 2021

\$18.12 loss on Eliquis

Acq: 597.68 LastAcq: 597.68 U&C: 753.64

	Request		Response
Cost	738.64	Pri. Paid	458.92
Markup	0.00	Sec.	110.64
Fee	15.00	Other	0.00
Tax	0.00	Copay	10.00
Total	753.64	Total	579.56



1





**Step 4**

# Start a Membership

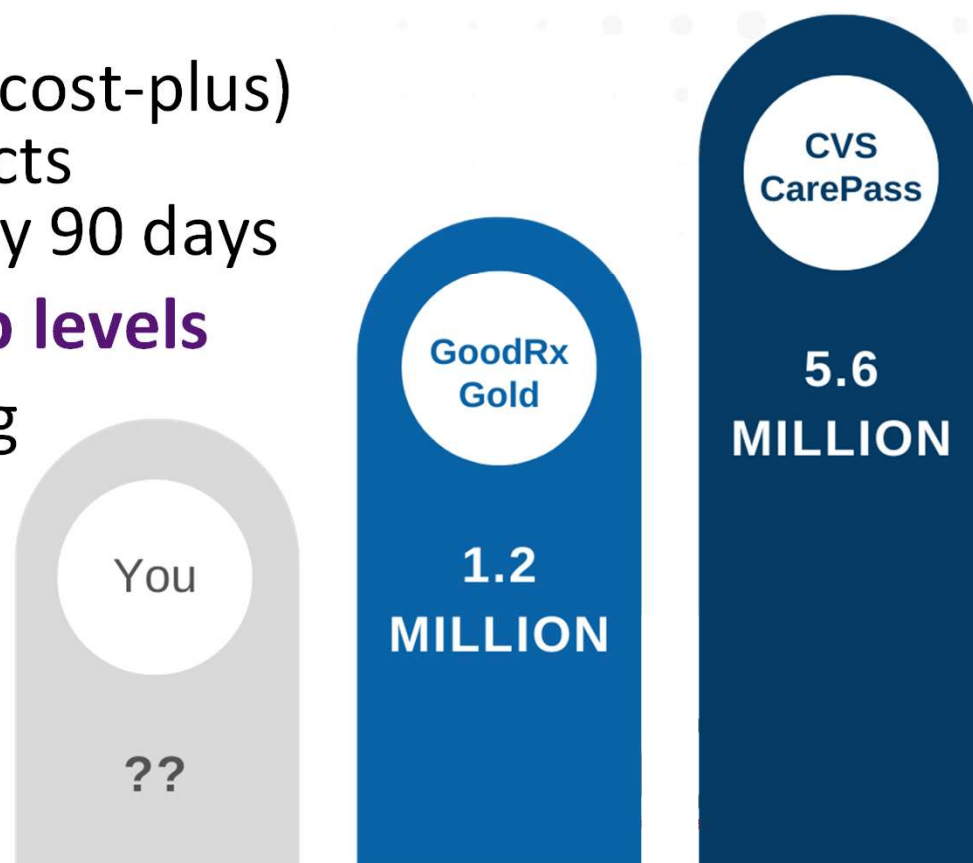
# Pharmacy Memberships

## Current Core Benefits

- Prescription Savings (lower cost-plus)
- 15% off all front-end products
- 1 free delivery/mailling every 90 days

## Future, à la carte membership levels

- Unlimited deliveries/mailling
- Disease state packages
- Packaging services
- Concierge services



# Think Big

## Feather Cedra

Our third level service offers:

Blood glucose meter  
Refill synchronization program  
24-hour emergency support  
1 reward point for every dollar spent  
News about new programs  
One box of free diabetic strips  
Monthly medication review with a staff pharmacist  
One-time, in-store nutritionist consultation  
5% discount on all in-store purchases, excluding co-pays  
Discounted massage  
Discounted personal training sessions  
And you can add the following for an additional charge:

Nurse accompaniment to doctor's office (with four days' notice).  
Gym membership.  
Home delivered, chef-made food.  
After you've been a member for a year, we donate \$100 to the charity of your choice.

## Medial Cedra

Our second level of service offers all of the features:

Blood glucose meter  
Refill synchronization program  
24-hour emergency support  
1 reward point for every dollar spent  
News about new programs  
One box of free diabetic strips per month  
Twice-monthly medication review with a staff pharmacist  
A seasonal in-store nutritionist consultation  
10% off all in-store purchases, excluding co-pays  
Monthly custom therapeutic massage  
Weekly personal training sessions  
Blood pressure machine  
Customized pillbox  
Weekly door-to-door limo service to doctor's office  
You can add the following for an additional charge:

Nurse accompaniment to doctor's office (with four days' notice).  
Gym membership.  
Home delivered, chef-made food.  
After you've been a member for a year, we donate \$250 to the charity of your choice.

## Grand Cedra

With our full-service option, you'll enjoy concierge-like care tailored to your condition and lifestyle. When it comes to your medication and treatment, we take care of everything.:

Blood glucose meter  
Refill synchronization program  
24-hour emergency support  
1 reward point for every dollar spent  
First priority on and 20% off all new programs  
Monthly supply of free diabetic strips  
**Weekly at-home medication review with a staff pharmacist**  
Monthly, one-on-one at-home nutritionist consultations  
15% off all in-store purchases, excluding co-pays  
Twice-monthly custom therapeutic massage  
Semi-weekly personal training  
Blood pressure machine  
Customized pillbox  
**Unlimited, door-to-door limo service to doctor's office**  
**Nurse accompaniment to doctor's office (with four days' notice)**  
You can add the following for an additional charge:

Gym membership.  
Home delivered, chef-made food.  
After you've been a member for a year, we donate **\$500 to the charity of your choice.**

<https://cedrapharmacy.com/pages/membership-programs>.  
Accessed 24 Mar 2025.

# Landscape Analysis

	CVS Carepass	Amazon RxPass	Walgreens Savings Club	GoodRx Gold	Costco	ScriptCo	Kroger Savings Club
Rx Savings	-	✓ 50 "free", rest normal	✓ Arbitrary savings	✓ Arbitrary savings	✓ Arbitrary savings	✓ Wholesale price	✓ Arbitrary savings
Delivery/Shipping	✓ 1-2 day USPS	✓ 2-day	✓ 15-mile same-day 5-10 day ship	✓ 5-7 days	✓ 6-14 day delivery	✓ 1-5 days	-
OTC Benefit	✓ 20% off store brand	-	✓ 10% off Store brand	-	✓ Costco access	-	-
Services	-	-	-	\$19 online MD visits (starting)	-	-	-
Other	\$10 CarePass benefit	-	-	-	-	-	-
Cost/yr/individual	\$48	\$60 (on top of prime)	\$20	\$119.88	\$60	\$140	\$36

# #1 Benefit = Realigned Incentives

- If no meds are best for a patient, that's best for the pharmacy (goal is customer retention not selling)
  - Put another way, make money on memberships, sell things “at net cost”
- Seen as a partner on the healthcare team...how can you ask to be paid for service if also pocketing \$2000+ on an imatinib claim??
  - (Do you feel better using a commission-based financial advisor or a fee-based?)
- Focus on true adherence, not “fill” adherence
- Open formulary and removal of insurance industry creations
  - No brand preferences (we see you Medicaid plans 🙄)
  - Patient choice for manufacturer
  - Silly choice of therapeutic options (e.g., ibuprofen 800mg non-formulary)
  - Days supply for creams and eye drops...good-bye!
- When we save, patients save

**Step 5**

**Go Premium**  
*and Personal*

DURABLE \* SUSTAINABLE \* EXCEPTIONAL

# paper



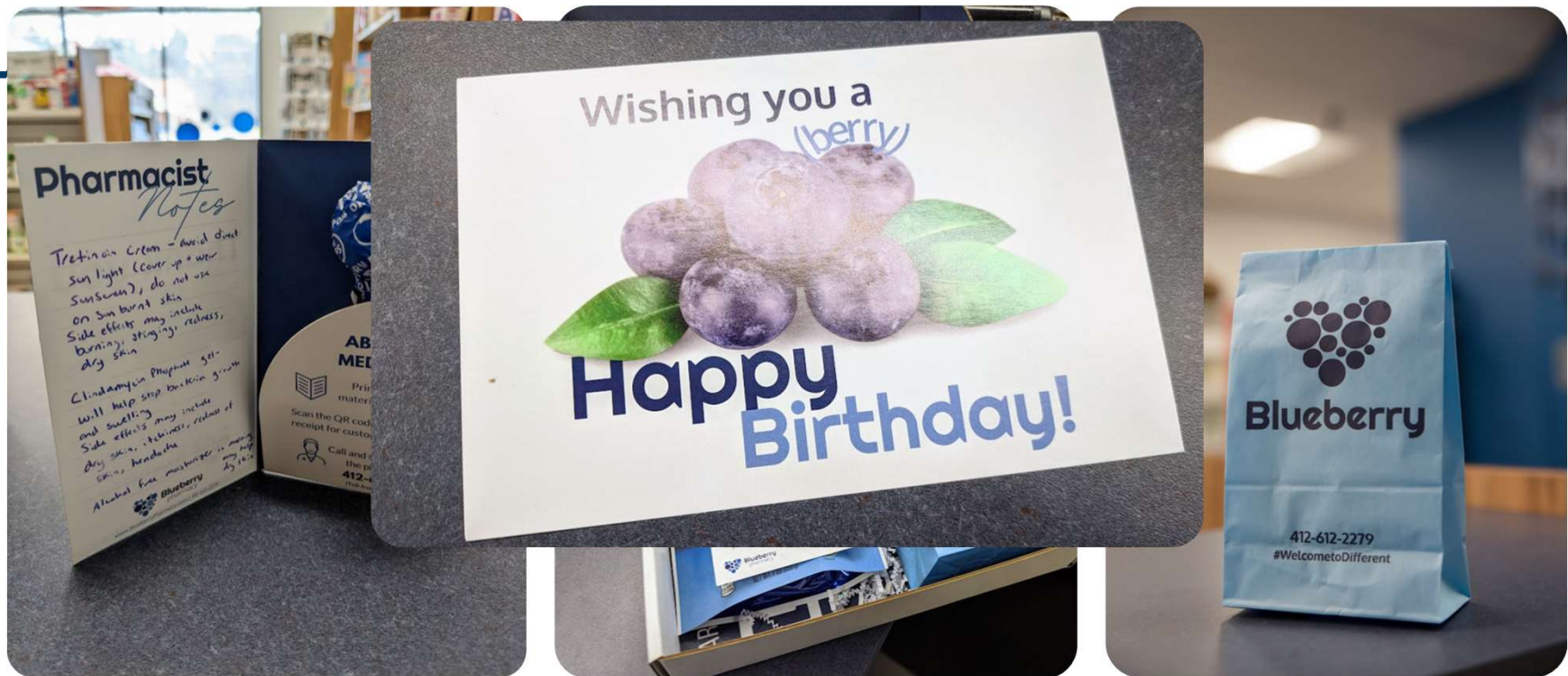
BLUEBERRY  
PHARMACY

Cost-Plus Pharmacy





# Premium & Personal



**Step 6**

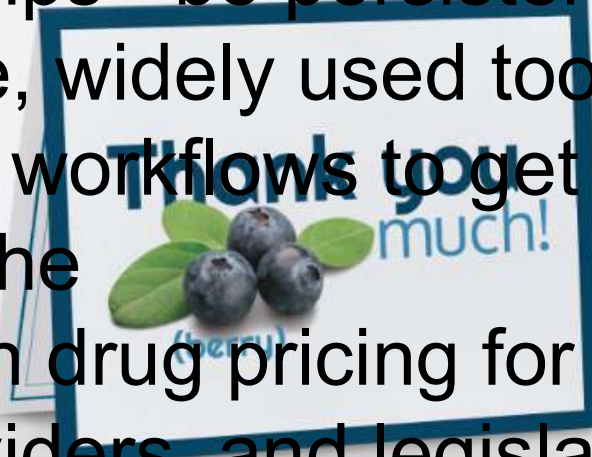
**Marketing**

# How do you list your prices online?

- Day-old database access, with script to update every morning - <https://price.blueberrypharmacy.com>
- Open-source option <https://rx.deals>

# How do you market your pharmacy?

- Media relationships - be persistent
- Make use of free, widely used tools
- Use relationship workflows to get reviews
- Embrace the niche
- Be a resource on drug pricing for community, providers, and legislators



## Step 7

# Prepare for Changes

# What About Brands?

- What does the future of brands/drug pipeline look like?
- Direct, direct, direct

**Have Vuity® mailed to your home by UpScript Pharmacy**

**\$79 Guaranteed**

**Qsymia Home Delivery Pharmacy**

**Retail Pharmacies**

**FOR THE LOWEST CASH PRICE**

**Qsymia Engage**

A **FREE** support program with exclusive benefits!

**\$98\***

for a 30-day prescription or product pack — for the lowest cash price — insurance claims will be processed.

**Synthroid® Delivers**  
PROGRAM

**NCPA®**  
NATIONAL COMMUNITY  
PHARMACISTS ASSOCIATION



What NovoCare® Pharmacy offers

Already enrolled? [Login](#)



**You pay \$499 per month<sup>c</sup> of Wegovy®**

No subscription necessary.

<sup>c</sup>28-day supply of Wegovy® is equivalent to 1 month of treatment.



**Delivered to your home**

Convenient and time saving with the ability for you to ship directly to your home.



**Reliable source of Wegovy®<sup>b</sup>**

A supply of authentic medication, including any starter or maintenance doses.

<sup>b</sup>Terms and conditions apply.



# Questions?

Kyle McCormick

Owner, Blueberry Pharmacy and Cost-Plus Pharmacy Consulting