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Papa John's Pizza To Raise Prices Because Of Obamacare, CEO John Schnatter Says (CORRECTED)

The Huffington Post | By Harry Bradford

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After President Obama's health care law takes full effect, the slogan for national pizza chain Papa John's may need an update. Instead of, "Better ingredients. Better Pizza," may we suggest, "Better health care. Costlier pizza."

Papa John's CEO John Schnatter says that [Obamacare will cost the company \\$0.11 to \\$0.14 per pizza](#), or \$0.15 to \$0.20 cents per order, Pizza Marketplace, a trade publication, reports. (Hat tip: [@dkberman via Twitter](#).)

Under Obamacare, the company, which is the third-largest pizza takeout and delivery chain in the United States, will have to offer health care coverage to more of its [16,500 total employees](#) or pay a penalty to the government.

The National Restaurant Association pointed out following the health care law's Supreme Court approval that it [may adversely affect restaurants' ability to maintain already slim profit margins](#) because it requires companies of more than 50 employees to provide affordable health insurance.

One Papa John's franchise owner in Texas, Judy Nichols, says the law could interfere with her ability to open more restaurants.

"I have two options, I can stop offering coverage and pay the \$2,000 fine, or I could keep my number of staff under 50 so the mandate doesn't apply," she told Legal Newsline. Nichols added that the [law may cost her between \\$20,000 to \\$30,000](#) extra in taxes. "Obamacare is making me think about cutting jobs instead," she said.

But with [strong sales last quarter and more than 1,500 new retail locations](#) planned in the near future, Schnatter doesn't seem all that bothered -- perhaps because he intends to pass those health care costs on to customers.

"We're not supportive of Obamacare, like most businesses in our industry," Schnatter [was quoted as saying in Politico](#). "But our business model and unit economics are about as ideal as you can get for a food company to absorb Obamacare."

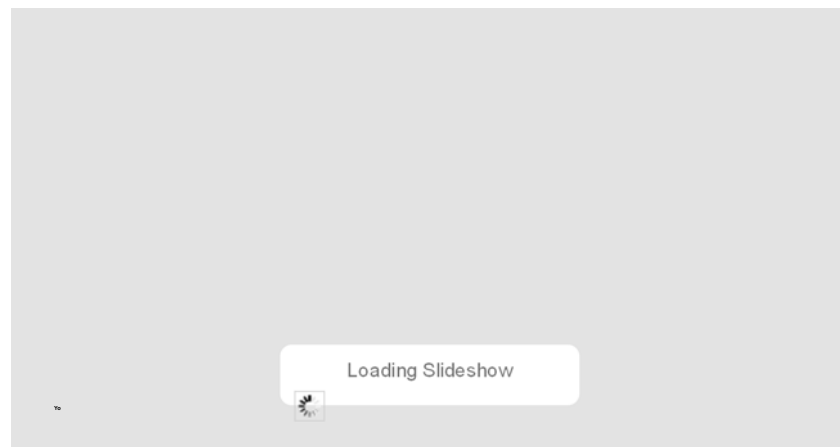
Schnatter has thrown his weight behind Republican presidential candidate Mitt Romney this election season, even [hosting a campaign fundraiser](#) at his Louisville-area mansion in May. "Don't you love this country?" Romney, who attended, asked during the event. "What a home this is, what grounds these are, the pool, the golf course."

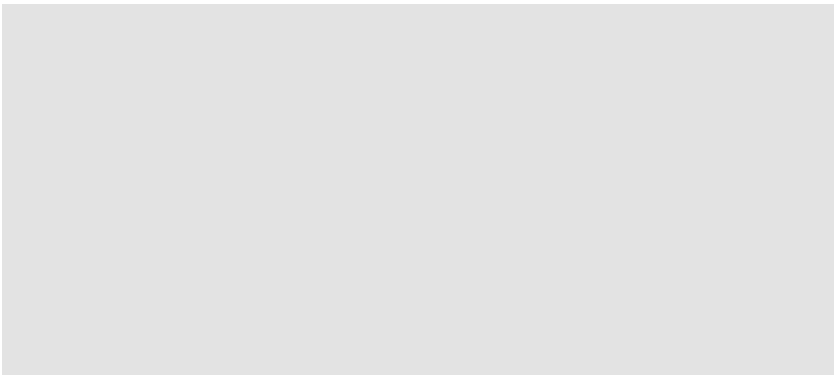
McDonald's also expects Obamacare to cost each of its 14,000 franchises between [\\$10,000 and \\$30,000 annually](#), according to *Businessweek*. But, like Schnatter, the company [remains optimistic it is well placed to handle the extra costs](#).

Representatives from other restaurant chains may be less hopeful, however, including Burger King, Quiznos and Dunkin' Donuts, all which have [expressed concern the law may hurt business](#), according to the *Wall Street Journal*.

CORRECTION: A previous version of this article mischaracterized the effect of Obamacare on Papa John's as a "price increase" rather than a cost to the company. Papa John's has not said it will increase the price of its pizzas.

Besides making your pizzas pricier, here's what Obamacare will do for you:





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