

National health care for 11 cents per pizza

By Steve Benen - Wed Aug 8, 2012 10:00 AM EDT

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6

10

John Schnatter, CEO of the Papa John's pizza chain, shared a political, election-year message during a shareholders conference call the other day. His message: the Affordable Care Act will be **bad for his business** and its customers.



Getty Images

John Schnatter, Romney backer and CEO of Papa John's.

On a conference call last week, CEO and founder John Schnatter (a Mitt Romney supporter and fundraiser) said the health care law's changes -- set to go into effect in 2014 -- will result in higher costs for the company -- which they vowed to pass onto consumers.

"Our best estimate is that the Obamacare will cost 11 to 14 cents per pizza, or 15 to 20 cents per order from a corporate basis," Schnatter said.

Matt Yglesias had **the same reaction** I did: "Stipulating for a moment that this is true, doesn't it seem like a rather small price to pay?"

Actually, yes. I haven't the foggiest idea if Schnatter's figures are accurate, and given that his **enthusiastic support** for the Romney campaign, I'd recommend caution before accepting them as fact.

But for the sake of argument, let's say the Papa John's CEO is correct and the price of a large pepperoni pizza will go from \$14.08 to \$14.19 (or, on the outside, \$14.22) as a consequence of the Affordable Care Act. This is supposed to make Americans *oppose* the health care law?

In other words, Schnatter is effectively arguing, "On the one hand, 30 million Americans will have access to affordable health care; seniors will pay less for prescription medication; people with pre-existing conditions will be protected; young adults will be able to stay on their families' plans; annual and lifetime caps will be eliminated; and preventive care will be available to all without copays. On the other hand, consumers might have to pay an additional 11 cents on a pizza."

Schnatter seems to think the reaction should be obvious. As it happens, I think it is obvious, but not in the way he prefers.

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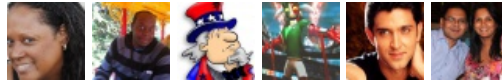


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Zora Renee



"...let's say the Papa John's CEO is correct and the price of a large pepperoni pizza will go from \$14.08 to \$14.19 (or, on the outside, \$14.22) as a consequence of the Affordable Care Act."

So basically this guy is so greedy that he's unwilling to cough up the .11-.14 cents out of his profits. Fine, I'll stop buying Papa John's as of right now!

#1 - Wed Aug 8, 2012 10:05 AM EDT

REPLY 15 votes

sick-n-effin-tired



I was aware of his political views long ago and have been voting with my wallet ever since.

Really , all he is saying is my pizza makers and delivery people have no value , they are serfs and expendable.

Whenever I hear someone rail against government or union benefits li always say :

Wrong argument .

Not why are those benefits so good, but rather why does my employer treat me like shMitt

#1.1 - Wed Aug 8, 2012 10:15 AM EDT

18 votes

khayyam-2346608



I think John Schnatter is using a stone to shoot two birds here.

1) he wants to pull a Chick-fil-A stunt here,hoping some would be outrage and the conservative machine would counter with a national proclamation day for papa John's pizza.As if we're not obese enough.

2) He is part of the repeal crowd,so a little bit of mantra chanting will do them some good.

Greed:it is a disease,predominantly in Males of all races.It is contracted by chance* or by inheritance.People with this disease are selfish,they have an excessive desire for more of something (as money) than is needed.

#1.2 - Wed Aug 8, 2012 10:54 AM EDT

6 votes

joca41



Papa John's just lost about \$25.00 or more a month from me.And I would hope anyone else that favor's the AHCA will do the same.If he does'nt care if 45,000 American's die every year because they do'nt have insurance, why should I help him get wealthier? Goodbye Papa John's!

#1.3 - Wed Aug 8, 2012 11:17 AM EDT

7 votes



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Drift

Mike Paganucci



The increase would not come out of his profits; it would be passed along to the consumer. So that raises the question what is he really complaining about.

[#1.4](#) - Wed Aug 8, 2012 11:40 AM EDT

5 votes

Paul S. Campbell

Well now I would think somebody selling Pizza would endorse healthcare for all. Should not the poor slops who eat his heart attack pies be able to get health care so they can spend more money on his pizzas? Should his employees not get health care for themselves and their family at affordable prices?

Of course we need to accept the fact that pizza boy ain't exactly in business to help others. So in essence he has just shown us his greed versus his humanity. A profit squeezed is a profit none the less eh bright boy.

[#1.5](#) - Wed Aug 8, 2012 12:40 PM EDT

3 votes

Paul S. Campbell

And of course we all know that if he raises the price a dime he will cut the size while adding charges so that his excuse for an eleven cent hike leads to a twenty percent rise in profits.

Heck fire he'll reduce the size and the fillings and advertise the reduction in calories as a big selling point.

[#1.6](#) - Wed Aug 8, 2012 12:44 PM EDT

2 votes

Patrick Blodgett

Yet another brand that can kiss my ass and my money goodbye. Too bad, Papa John's used to be the only chain pizza place I'd buy from.

[#1.7](#) - Wed Aug 8, 2012 1:13 PM EDT

2 votes

mpguy

Glad to know this. There isn't a Papa John's in our area, but I was about to travel to an area that has one, and I was planning to stop there. Now I won't.

From a business management perspective, I worry about this guy's lack of long-term thinking. Healthier people will live longer and better. How many of his best customers will need good health care to stay around longer--to buy more of his pizzas. He should be an advocate for national health care for selfish reasons alone.

[#1.8](#) - Wed Aug 8, 2012 2:18 PM EDT

2 votes

Paul S. Campbell

That's alright patrick-chain pizza does not hold a candle to the indies . Indies are not required to stick to the program and therefore can be creative not to mention they depend on word of mouth advertising.

[#1.9](#) - Wed Aug 8, 2012 2:28 PM EDT

1 vote

MeddlingMonk

| *So that raises the question what is he really complaining about.*

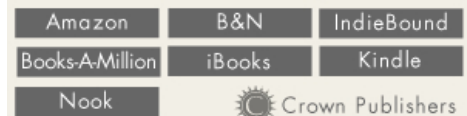
Well, if he had a brain in his head instead of pureed tomatoes, he'd be complaining that we weren't moving to a single-payer system that would take businesses like his out of the for-profit health-insurance racket altogether.

DRIFT

by RACHEL MADDOW



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As it is, the ACA should hold medical costs *down*, so pizza boy must be smoking low-grade corn silk if he thinks he's going to have to jack up prices by all of a dime. Is there something about running a pizza chain that makes men stupid? (I mean, more stupid than usual.)

#1.10 - Wed Aug 8, 2012 9:56 PM EDT

1 vote

REPLY

largenose



It's all part of the evil Obama socialist agenda...Jack up the price of crappy pizza so fewer people can afford it, and suddenly less people are going to the hospital with cardiac arrest, effectively eliminating valuable hospital jobs.

Crap. It's what's for dinner.

#2 - Wed Aug 8, 2012 10:10 AM EDT

REPLY

10 votes

Mego-516015



What I love is the implied threat. 'Let OBAMACARE go fully in and I will raise the price of your pizza!!!' OK...and what will you do if people just refuse to eat there because you're kind of a d-bag?

#3 - Wed Aug 8, 2012 10:11 AM EDT

REPLY

14 votes

Bartender2



Oh please. Mr. Schnatter don't insult our intelligence. Successful multi-millionaires like yourself don't "cut off their nose to spite their face". Prices for your pizza go up and down based on market conditions. You may increase your prices only to be forced to lower them once your competition begins to cut into your market share (although you have done your shareholders a disservice by this announcement and the anticipated boycott of your pizza by your political opponents as a result). For this small change in pricing you might have been best served to quietly reducing the CEO salary and absorbing the expense.

#4 - Wed Aug 8, 2012 10:11 AM EDT

REPLY

17 votes

sick-n-effin-tired

well said !

#4.1 - Wed Aug 8, 2012 10:17 AM EDT

1 vote

KJ, CR, IA



Schnatter is banking on the opposite. He saw the Chick-Fil-A deal and thought "Hmmm, what if I could create the same thing for my pizza business?" So he picked an issue and is trying to make a spectacle of it for profit.

Besides, I'm sure that the bulk of his employees are part-time and as such do not get health care benefits from him anyway. He's just another greedy business owner trying to make more money for himself. He won't be getting any of mine.

#4.2 - Wed Aug 8, 2012 11:01 AM EDT

8 votes

REPLY

Ron Byers



John Schnatter has just demonstrated how little he respects his own employees. He must have the soul of a Vulture Capitalist. He surely doesn't care about the health of his own employees. By the way, I am not sure the ACA is going to result in an overall increase in health care costs. It is designed to reduce costs in the long run. I will admit that companies like Pappa John's that don't provide health insurance will have to pay more, but most companies will see an overall cost reduction.

#5 - Wed Aug 8, 2012 10:17 AM EDT

REPLY

7 votes

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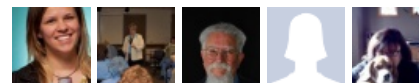
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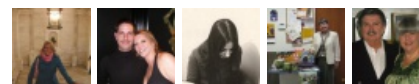
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EntropyRules

Schnatter probably thinks that his employees should be eternally grateful to him for whatever crumbs he condescends to throw their way. The sort of person The Blank admires so much.

#5.1 - Wed Aug 8, 2012 1:25 PM EDT

2 votes

REPLY 

nomoremagicalthinking



Hmmm, let's see, keep grandma alive or save a quarter on a pizza? I really like grandma, and pizza, damn the government for making me make a tough decision. Skip one topping and keep grandpa alive too.

#6 - Wed Aug 8, 2012 10:20 AM EDT

REPLY 

16 votes

June Day



Another day, another right-wing pizza guy. What is it with the love affair between fast-food franchises and the mean-spirited, twisted politics of the GOP? Domino's Pizza, Godfather Pizza, now Papa John's.

#7 - Wed Aug 8, 2012 10:22 AM EDT

REPLY 

8 votes

sick-n-effin-tired

Money....and lots of it.

Really? \$14 for a piece of dough with some red sauce and mozzarella.

Big profits there

#7.1 - Wed Aug 8, 2012 10:28 AM EDT

4 votes

mmm2

Add Carl's Jr. to that list, too.

#7.2 - Wed Aug 8, 2012 10:37 AM EDT

3 votes

DAY-3905329



I wonder how cheap his pizzas would be if the government didn't shovel bucket loads of money to Big Ag? (last time I looked, pizzas are mostly made out farm products- everything from wheat flour to meats, mushrooms, and mozzarella.)

At the risk of offending many, the folks who eat at *any* 'fast food' joint are not employing their brain cells to best use. Empty calories, obesity, diabetes, clogged arteries, etc.

Plus, I can *make* a pizza from scratch for about .50 and 10 minutes of my not very valuable time.

#7.3 - Wed Aug 8, 2012 10:37 AM EDT

5 votes

sick-n-effin-tired

Day - I wonder if he is fishing for a boycott ala Chick-a-fil

It really killed him to see their sales skyrocket

#7.4 - Wed Aug 8, 2012 10:50 AM EDT

2 votes

REPLY 

ShellyWymer



He's complaining about AHC raising the cost of pizzas 11-15 cents? Seriously? I guess he never raises prices because of food costs. I've never liked Papa John's pizza anyway. Too salty.

#8 - Wed Aug 8, 2012 10:23 AM EDT

REPLY  6 votes

kricka



That's funny, I always thought the sauce was too sweet. Regardless, I prefer to get my pizza from the little mom and pop places. Their pizza is WORLDS better.

#8.1 - Wed Aug 8, 2012 10:46 AM EDT

7 votes

EntropyRules

kricka,

We agree...the sauce is too sweet.

#8.2 - Wed Aug 8, 2012 12:28 PM EDT

REPLY 

brucek1102



Hmm, I think the point is that what if **all** products cost more because of ACA? Well, let's do the math..that pizza increase of \$.11 on a \$14 pizza equals 0.8 per cent...So providing affordable health care to your family and 30 million previously uninsured will cost an less than 1% a year? Sign me up

#9 - Wed Aug 8, 2012 10:26 AM EDT

REPLY  8 votes

Eric!-2804575

Has your Health Care premiums gone up lately? Mine sure has, it's just the tip of the Obama-berg that America is sailing towards.

#9.1 - Wed Aug 8, 2012 12:13 PM EDT

Daniel Kim-2618103

If your premiums have increased, at least you know that at least 80 percent of that money must go toward health coverage. Depending on who your provider is, you may be getting more bang for your buck. Some of us have already received refund checks because of this.

You also do not have to worry that, should you get sick with something expensive, your insurance company will review your case and drop you while charging you extra for back-coverage.

#9.2 - Wed Aug 8, 2012 4:23 PM EDT

1 vote

terriels

I know that my premiums were increasing at 10 to 20% a year BEFORE ACA and it finally went to 6%. I see them going down in my small business. Perhaps you should change your insurance company.

#9.3 - Wed Aug 8, 2012 5:33 PM EDT

1 vote

REPLY 

brucek1102

Just to follow up...I suppose if it added 1% to the national inflation rate (CPI), that wouldn't be so good,, but still seems to me like a small price to pay

#10 - Wed Aug 8, 2012 10:28 AM EDT

REPLY 

REPLY 

knitterelf

I thought fast-food pizza wasn't that healthy a food choice to begin with....

#11 - Wed Aug 8, 2012 10:32 AM EDT

REPLY  4 votes

RimKitty

OMG! Global warming is going to cost him a lot more than that. Why isn't Papa Johns screaming about the drought? Just politics.

#12 - Wed Aug 8, 2012 10:33 AM EDT

REPLY  4 votes

damskippy-1635693

So . . . I guess we can expect Huckabee to declare a Papa John's Appreciation Day?

#13 - Wed Aug 8, 2012 10:34 AM EDT

REPLY  4 votes

Jenny42



Let me weigh my options here... 14 cents a pizza or letting someone die because they don't have insurance.

What kind of sociopath thinks the 14 cents is a bad thing?

#14 - Wed Aug 8, 2012 10:36 AM EDT

REPLY  12 votes

EntropyRules

"What kind of sociopath thinks the 14 cents is a bad thing?"

Essentially, everyone on the American right.

#14.1 - Wed Aug 8, 2012 12:29 PM EDT

4 votes

REPLY 

Ninz

On the other hand, everyone can contribute to their own good health by no longer eating Papa John's.

But please don't tell me if Papa Murphy's becomes a bastion of right wing demagoguery. I love me some take & bake!

#15 - Wed Aug 8, 2012 10:48 AM EDT

REPLY  4 votes

2Manchu



With apologies to Monty Python:

Romney supporter: "What has Obamacare ever done for us?"

"Let's young adults stay on their parents' coverage until their 26."

"Oh, yeah, it does do that."

"It also helps senior citizens with the cost of prescription drugs."

"Okay, I'll give you that."

"And it helps cover preventive services, especially women and senior citizens."

"Yes, that is true."

"It requires insurance companies to spend 80% of premiums they receive on healthcare and

improvements, and not on executive salaries and marketing."

"That does make sense, sure."

"And if they don't, they have to send rebate checks to customers."

"All right, fair enough."

"Insurance companies also have to publicly justify any rates increases that are 10% or more of what they currently charge customers."

"Okay, I give you providing improved insurance is something Obamacare has done..."

"It also removes lifetime limits on benefits, which is crucial for those with cancer and other chronic diseases."

"Huh, did not know that."

"It provides funding to expand and increase health centers, so that underserved areas get the medical coverage they need."

"Well, of course more health centers! That goes without saying."

"And people with preexisting conditions cannot be denied coverage."

"All right, but apart from giving greater coverage for young adults, helping senior citizens with their costs, encouraging more people to get preventive care to discover any problems early on, requiring insurance companies to provide better services and costs, and help lessen the financial impact of healthcare costs for those with long-term disabilities and illnesses, what has Obamacare ever done for us?"

"Brought peace of mind for millions of Americans?"

"Oh, peace.... SHUT UP!!"

#16 - Wed Aug 8, 2012 10:55 AM EDT

REPLY

8 votes

Daniel Kim-2618103

Yeah, and that's the big thing. Those who do not know what Obamacare is about are opposed to it out of ignorance. Those who knowingly oppose it simply don't care about anyone but themselves.

#16.1 - Wed Aug 8, 2012 4:26 PM EDT

1 vote

REPLY

Chris Randall

Depending on who reads this, they take away different things. For Romney (anit-Obama), great more of my hard earned money wasted on Obamacare and we're punishing the job creators. For Obama supporters, great, finally these minimum waged slave workers will get a benefit that could save their lives for only 14 cents a pizza. Money well spent.

I wonder how much pizza prices would have went down if he was already giving his employees health benefits? Hmm.. I'd say \$0, but the shareholders would certainly see the benefit.

#17 - Wed Aug 8, 2012 10:57 AM EDT

REPLY

2 votes

CJ in Atlanta

Schnatter appears to be looking for the payoff that Chick-fil-a received. Chick-fil-a has become the Fox News of fast food restaurants, and Papa Johns now wants to be the Fox News of pizza delivery chains.

Who knows? Maybe it's a good business model. Maybe I'll get rich selling "Obama: Worst President Ever" t-shirts (while donating a portion of the proceeds to the Obama campaign).

#18 - Wed Aug 8, 2012 10:58 AM EDT

REPLY

3 votes

annieclaus



OK, I'd pay 15 cents more. . . if I ever ate Papa John's pizza. Which I wouldn't.

#19 - Wed Aug 8, 2012 11:00 AM EDT

REPLY

8 votes

aobme

So what do we get if we raise the price of his poison to \$15/box?

Maybe that 78 cents a pizza could pay for a program to educate Americans about what they should be jamming into their face holes, and how different things like this garbage affects them.

Not like they shouldn't already have to put a warning on the box like cigarettes.. "Putting this refuse in your face hole may result in obesity, lethargy, and be a sign of larger descision making problems"

If -15 cents was such a deterrent I suspect people wouldn't be eating the slop already.

#20 - Wed Aug 8, 2012 11:10 AM EDT

REPLY 

3 votes

Freddie-1717641

An 11-15 cent rise over 2 years? Really? That's supposed to be scary or something? It's not like normal market conditions have ever causes price increases or anything.

Cry wolf more loudly, Mr. Schnatter.

#21 - Wed Aug 8, 2012 11:28 AM EDT

REPLY 

4 votes

reveal5

Papa John's a shark. Who knew? He's a smiling predator seemingly devoid of humanity. No wonder he's a Romneybot. Sharks of a feather flock together. His comments will cost him customers over the long run. People should call their local Papa's and tell them they won't be doing business with Papa Sharks anymore..

#22 - Wed Aug 8, 2012 11:34 AM EDT

REPLY 

3 votes

sbstarlite

And once again the right wing coughs up that infamous foot from their mouth.....or in this case a pizza slice.

#23 - Wed Aug 8, 2012 11:37 AM EDT

REPLY 

2 votes

reveal5

It will be interesting to see if any cable news folks report this. Papa's advertises a lot and and corporate media feeds at the corporate advertising buffet. .

#24 - Wed Aug 8, 2012 11:40 AM EDT

REPLY 

1 vote

Dogjudge



Anyone want to bet that the American taxpayer is currently paying for health care for Papa John's employees right now because they don't provide health insurance?

#25 - Wed Aug 8, 2012 11:47 AM EDT

REPLY 

6 votes

Trollop



I was going to say; no pizza place, no restaurant, no Starbucks, no @!\$%#ing 7/11 provides it's employees health insurance benefits. This guy is another Rmoney; I've got mine, screw you AND my employees!

#25.1 - Wed Aug 8, 2012 11:58 AM EDT

6 votes

MindBend

@Trollop

Actually, Starbucks does offer health insurance to it's employees. Even some part-time staff (min. 240 hrs worked per quarter).

#25.2 - Wed Aug 8, 2012 2:01 PM EDT

1 vote

Trollop

I stand corrected! What investigation I could quickly perform makes my original statement null. I can state truthfully that I have previously worked several years in the food service industry and from my personal experience I can state that I never had insurance that would meet the cost of any significant emergency medical necessity without have again, significant impact on my ability at the time to cover the cost of paying my rent/bills etc.. I assume that the same is true today, it would delight me personally to find that I am largely incorrect. I apologize for my original *broad brush* statement.

#25.3 - Wed Aug 8, 2012 5:12 PM EDT

2 votes

REPLY 

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