

[http://www.huffingtonpost.com/john-h-schnatter/papa-johns-obamacare\\_b\\_2166209.html](http://www.huffingtonpost.com/john-h-schnatter/papa-johns-obamacare_b_2166209.html)

# The Real Scoop on Papa John's and Obamacare



## [John Schnatter](#)

Founder and CEO, Papa John's

Posted: 11/20/2012 12:49 pm

React

Reading what has been written about statements I made on the effect of the Affordable Care Act on our franchisees reminds me of a quote from Lewis H. Lapham, former editor of *Harper's* magazine: "People may expect too much of journalism. Not only do they expect it to be entertaining, they expect it to be true."

Many in the media reported that I said Papa John's is going to close stores and cut jobs because of Obamacare. I never said that. The fact is we are going to open over hundreds of stores this year and next and increase employment by over 5,000 jobs worldwide. And, we have no plans to cut team hours as a result of the Affordable Care Act.

Clearly there was some misunderstanding somewhere. The remarks that generated the headlines were made during an entrepreneur class I was asked to speak to at a Florida college. I was asked to share my experience as an entrepreneur and to provide the students with real-life small business situations. Unbeknownst to me, until she identified herself, a reporter was there.

Here is the part of the interchange that was the genesis of the news:

Reporter: "Do you think your -- you know -- franchise owners... are going to cut people hours back to make them part time instead of full time?"

Me: "Well, in Hawaii there is a form of the same kind of health insurance and that's what you do, you find loopholes to get around it. That's what they're going to do."

Reporter: "My understanding is that if you're a full time employee, which is 35 hours or over, you'd be covered. Or if you're part time then you wouldn't be. So wouldn't some business owners just cut people down like 34 hours a week so they wouldn't have to pay for health insurance?"

Me: "It's common sense. It's what I call lose-lose."

The reporter asked what I believed Papa John's franchisees would do in response to Obamacare, not what Papa John's would do. In fact, her question was "wouldn't some business owners just cut people down like 34 hours a week so they wouldn't have to pay for health insurance?"

My answer: "It's common sense."

Companies like Papa John's are largely a collection of small independent businesses. The average Papa John's franchisee owns three to four stores. Since our franchisees own the restaurants they operate, who they hire, how many hours they give each employee and what they pay each employee is up to them, not me or Papa John's. Like any small business in these economic times, our franchisees are under a tremendous amount of pressure on costs.

During that same interview, talking about Obamacare I said, though it wasn't widely reported:

- "The good news is 100% of the population (full-time workers) is going to get health insurance. I'm cool with that."
- "We're all going to pay for it. There's nothing for free."
- "And this way I get to provide health insurance and I'm not at a competitive disadvantage ... our competitors are going to have to do the same thing."

Papa John's, like most businesses, is still researching what the Affordable Care Act means to our operations. Regardless of the conclusion of our analysis, we will honor this law, as we do all laws, and continue to offer 100% of Papa John's corporate employees and workers in company-owned stores health insurance as we have since the company was founded in 1984.

*John Schnatter is the founder, chairman and chief executive officer of Papa John's, which operates and franchises more than 4,000 delivery and carryout pizza restaurants worldwide.*