



Building Trust

An Interview with The Honorable Rick Scott, Governor of Florida

EDITORS' NOTE Rick Scott is the 45th Governor of the State of Florida. Scott is the founder of two health care providers, Columbia Hospital Corporation and Solantic Corporation. He also started *Conservatives for Patients' Rights*. As the son of a JCPenny Clerk and a truck driver, his family struggled financially at times. When he started public school, his family was living in public housing. After high school and one year of community college, Scott enlisted in the United States Navy. He then enrolled at the



The Hon. Rick Scott

University of Missouri-Kansas City (UMKC) and, while also working full-time at a local grocery store, purchased two Kansas City doughnut shops. Following graduation from UMKC with a bachelor's degree in business administration, Scott earned a law degree from Southern Methodist University (SMU). He then worked for Johnson & Swanson, where he specialized in health care mergers and acquisitions. In the spring of 1987, Scott put together a \$6-billion finance package and made an offer to purchase HCA, Inc. When the offer was rejected, he started Columbia with his entire life savings of \$125,000. In 1994, he made a successful bid for HCA, Inc., which at that time owned approximately 100 hospitals, and the company's name was changed to Columbia/HCA. By the end of 1995, he had added 80 more hospitals to the network and implemented his signature cost-saving practices throughout the organization. Through his efforts to oppose more government involvement in health care, Scott has been a guest on dozens of national television and radio programs including CNN's Situation Room with Wolf Blitzer, FOX News' Hannity, and radio's Laura Ingraham Show. In 1993, Scott initiated a scholarship program for high school graduates of his Kansas City high school and he funds a scholarship to one low income student each year at SMU Law School.

As Governor of Florida, what have you been doing to bring the economy back and to create jobs?

We need to change the direction of the country and the state, because we can't keep borrowing more money and we have to allocate our dollars better.

I walked into a \$4-billion budget deficit, but also into an opportunity to make changes and prioritize, so it was probably the best time ever to be the Governor.

I ran on a specific platform of getting our state back to work and I'm focused on making Florida a place that businesses will seriously consider because we have the best business climate.

That business climate has three elements: fair taxes, fair regulation, and a reduced risk of frivolous lawsuits. Those three things have a dramatic impact on whether you have high or low unemployment.

So we reduced taxes, allocated the right dollars to the right social programs, and worked at making sure that this is a state where people want to do business. We have a low business tax, and I want to phase it out completely. This year, we phased it out for almost half of those that were paying the tax. We also reduced property taxes by \$210 million.

I also started reviewing all regulations that were in the process of being implemented – of which there are 900 – and we reviewed 11,000 regulations. We're going to eliminate 1,100 of them this year.

We're looking at everything we're doing and asking if it's good or bad for job creation.

What kind of education reform is taking place within Florida?

We eliminated tenure for new teachers, which allows our principals to get rid of bad teachers; that is having a dramatic impact on its own. Having the best teachers is the most important thing in education, so that is step one.

Step two is starting the process to switch to merit-based pay so we can make sure our best and most productive teachers are paid more.

And we have over 400 charter schools in our state. We made it easier to expand the successful ones, which created more competition and is going to be great for our kids.

We have a great virtual education program in the state that we have expanded.

We have expanded opportunity scholarships for children who currently attend a school that is not doing well.

So we are creating a dramatic shift that ensures that education is 100 percent for the benefit of the child.

You have been a leader in the push to create a patient-centered approach to cost and care in the health care industry. What more needs to be done in terms of reforming health care?

The biggest issue we're dealing with at the state level is the unbelievable cost for Medicaid – the program for those who can't afford health care. The problem is that the federal government has a significant number of strings attached to the money they give us and they pay part of that program. They need to give us a block grant and let us figure out how to spend the money, because we can spend the money in a much more efficient way. I'm hopeful they will do that.

In the meantime, we passed a great bill that is going to give more options to those individuals on Medicaid and will also reduce our cost of Medicaid – and we're going to expand that statewide.

One thing that is adversely impacting us is Obamacare, because companies are very concerned about its cost. At the state level, we're concerned because it will dramatically increase our cost of Medicaid. It will put more people on the Medicaid rolls and make us, as citizens of Florida, financially responsible for them. It also won't be great care because it will reduce access.

But we're optimistic that we'll get our block grant for Medicaid and the right things will ultimately happen with regard to Obamacare.

There is much debate around U.S. competitiveness and innovation. Are you concerned that the U.S. may be losing its edge?

Absolutely. We have to look at ourselves like a company would because we're competing for jobs with 49 other states and a variety of other countries.

Part of it is making sure we have a safe environment. We're at a 40-year low in our crime rate in the state and we have substantial monies allocated to that.

You have to make sure you're getting a return on the money you spend on the environment in keeping beaches, rivers, and lakes clean.

You want to make sure that people can get jobs, so you have to reduce regulation and litigation, and eliminate frivolous lawsuits.

And you create relationships that build trust. I took business leaders down to Panama in March to expand our relationship with the business and civic leaders there; and I have taken a large group of business people with me to Canada, which is our number one trading partner, to find out how to get more trade done that is positive for Canada and Florida.

People want to live and play in Florida, so we're going to make it the best place to work as well. We're competing and we should win, because people are coming here. ●