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In Florida, a C.E.O. Prepared for Cuts

By DAMIEN CAVE

MIAMI — Many of the newly elected Republican governors have said they want to run their state like a business. But few have been as brash and bold in corporate life — or with their economic campaign proposals — as Rick Scott, Florida's new chief executive.

Mr. Scott spent a decade buying up hospitals to create the country's largest health care chain, Columbia/HCA. And while his Democratic opponent tried to convince voters that he was an untrustworthy "corporate raider," even former colleagues describe Mr. Scott as a no-nonsense leader, fixated on costs, and willing to cut programs and employees if they fall short of his goals.

"'Chummy' is not the word I would ever use to describe Rick Scott," said Joshua Nemzoff, a mergers and acquisitions expert who has known Mr. Scott for 21 years. "He's extremely focused, and very, very aggressive."

For many Floridians, that may be a welcome change. For most of its history, the Sunshine State has coasted along on tourism, real estate and population growth. But with the Great Recession driving unemployment to record levels, Florida has become desperate for something different.

One in three voters on Tuesday said that a relative or member of their household had lost a job in the past two years, according to exit polls, which also showed that 73 percent believe the economy is in a serious, long-term decline, not just a cyclical downturn.

Enter Rick Scott, presenting himself as a turnaround expert. "I won't rest until we make Florida a model for the country in job creation and education," he told supporters Wednesday in his victory speech.

Yet if he manages to institute his plan for Florida — and chances are good, since the Legislature is overwhelmingly Republican — Floridians, and the country, may be in for a shock. His proposals, and his approach to business, suggest

that residents here may soon see an approach to government closer to the conservative, budget-slashing overhaul proposed for Britain.

Behind Mr. Scott's campaign slogans ("Let's get to work" with "seven steps to 700,000 jobs in seven years") are proposals to privatize more prisons, give vouchers to parents for schools and to [Medicaid](#) recipients for health insurance, and to reduce what businesses have to pay for injured workers.

To "lighten the burden of government on every Florida family," as he said Wednesday, Mr. Scott has also pledged to shrink the state payroll by thousands of jobs, and to usher in hefty tax cuts — even though that would mean less revenue to help fill the projected \$2.5 billion deficit that Florida faces next year.

Democrats are predicting a return "to the Dark Ages." Republicans are thrilled. "It's a real opportunity for us," said Mike Haridopolos, the State Senate president.

Not since the 1860s, Mr. Haridopolos said, has the state had such a conservative concentration of power, and as a result, he said a lot of legislation would be likely to pass. Specifically, he said the state would probably revisit a Senate bill vetoed by Gov. [Charlie Crist](#) that would have established merit-based pay for teachers.

Former Gov. [Jeb Bush](#) agreed that Mr. Scott "will have willing partners in the Legislature to do bigger things."

Mr. Bush said that Mr. Scott's business expertise would be particularly useful. "Medicaid reform, continued education reform and business climate improvements are all places where I expect our new governor's experience will be helpful," he said.

But Mr. Scott's corporate past is likely to be both a blessing and a handicap.

He grew up in Kansas City, Mo., the son of a truck driver, and he often describes himself as a self-made success. He was the hard-working child of strict parents who joined the Navy and worked as a transaction lawyer before starting his hospital company in 1987 with his life savings of \$125,000.

Over the next 10 years, he built the company into a behemoth with around 285,000 employees and annual revenue of \$20 billion.

His former colleagues say he was particularly successful in two areas: negotiating deals, and imposing more financial discipline (“accountability” is one of his favorite words) into the health care system.

He may have been famous outside his company for \$1.7 billion in fines that Columbia/HCA paid for defrauding Medicare and other federal programs. But inside his company, he was known for setting up a report card system for individual hospitals and their administrators, tracking everything from patient outcomes to revenue and growth in admissions

“It was the classic management case; he gave them responsibilities, he gave them authority, and if they didn’t perform, he got rid of them,” said Mr. Nemzoff, who sold Columbia/HCA a series of hospitals during Mr. Scott’s tenure. Then Mr. Nemzoff laughed, adding, “It’s sort of the direct opposite of government.”

And that may be Mr. Scott’s biggest challenge. He is a proud outsider who has never served in elected or appointed office.

Critics and some supporters say they are worried that the new governor-elect has little or no experience with the web of state agencies and financing mechanisms that he will oversee.

Despite his having named a transition team of conservative state lawmakers, they ask whether he can be trusted to make cuts, without dire consequences.

For instance, his seven-step plan calls for laying off 5 percent of the state work force, rolling back state and local spending to 2004 levels, and adding drug screening as a requirement for welfare recipients.

If he is unable to make such cuts, how will he pay for his other proposals — like a \$1.4 billion reduction in the property taxes that support Florida’s schools?

Republicans and Democrats predict a major clash with unions on many of these issues. “His only enemy in Tallahassee is the public service unions and the teachers union,” said Claude Kirk Jr., whose term as Florida’s first Republican governor in 90 years was rocked by a teacher’s strike in 1968. “They are still dominant.”

Matthew Dowd, the chief pollster for [George W. Bush’s](#) 2004 presidential campaign, said that Mr. Scott had more going for him because the public mood has changed. “Voters want less government jobs in the system,” he said, “and more jobs in business, especially small business.”

But Mr. Scott’s job creation plans — mainly cuts to regulations and taxes — are likely to have a lagging impact if they work, and he still has to win over more Floridians.

He defeated Alex Sink, a Democrat, by only a single percentage point after spending \$73 million on his own campaign, and 62 percent of voters said they still had reservations about him, according to exit polls.

Mr. Dowd said Mr. Scott would be smart “to prepare people that the path to the promised land is not without struggle and pain.”

For now, Mr. Scott seems to heading in a sunnier direction. “Here in Florida our problems are solvable and our blessings are countless,” he said Wednesday. “Even in these hard times, Florida is still pretty close to paradise.”