Health Critic Brings a Past and a Wallet

By JIM RUTENBERG

WASHINGTON — Richard L. Scott is unusual in these tough economic times: a rich, conservative investor willing to spend freely on a political cause.

Mr. Scott is starring in his own rotation of advertisements against the broad outlines of President Obama’s health care plans. (“Imagine waking up one day and all your medical decisions are made by a central, national board,” he warns in a radio spot.) He has dispatched camera crews to other countries to document the perils of socialized medicine.

He visited with lawmakers on Capitol Hill this week, and his new group, Conservatives for Patients’ Rights, has hired a leading conservative public relations firm, CRC, well known for its work with Swift Boat Veterans for Truth, the group that attacked Senator John Kerry, Democrat of Massachusetts, during his presidential campaign.

Mr. Scott’s emergence this spring as the most visible conservative opponent to Mr. Obama’s not-fully-defined health care effort has former friends and foes alike doing double takes, given Mr. Scott’s history.

Once lauded for building Columbia/HCA into the largest health care company in the world, Mr. Scott was ousted by his own board of directors in 1997 amid the nation’s biggest health care fraud scandal. The company’s guilty plea and payment of $1.7 billion to settle charges including the overbilling of state and federal health programs was taken as a repudiation of Mr. Scott’s relentless bottom-line approach.

“He hopes people don’t Google his name,” said John E. Hartwig, a former deputy inspector general at the Department of Health and Human Services, one of various state and federal agencies that investigated Columbia/HCA when Mr. Scott was its chief executive.
Liberal groups planning to defend the administration’s health care plan, whatever form it takes, are seizing on Mr. Scott’s background through Web videos, fact sheets, blog postings and unflattering additions to his Wikipedia entry, which until recently did not mention his ouster from Columbia.

“He’s a great symbol from our point of view,” said Richard J. Kirsch, the national campaign manager for Health Care for America Now. “We cannot have a better first person to attack health care reform than someone who ran a company that ripped off the government of hundreds of millions of dollars.”

Conservative health care activists, while glad to have a potential ally willing to spend $5 million out of his own pocket, are not fully embracing Mr. Scott, noting that he is entering a changed landscape in which some Republicans and industry groups that opposed President Bill Clinton’s health care proposals now view some form of change as necessary and inevitable.

“At the end of the day, they may come up with something we like,” said John C. Goodman, a leading conservative health care policy expert. “We shouldn’t just assume that this is something horrible — if this is something horrible, we will be against it.”

“There is no Obama plan that’s been made public yet, so what’s the point of running ads?” Mr. Goodman added. “I don’t see that you gain anything except attention for Rick Scott.”

Some former allies are more hostile toward Mr. Scott, painting him as counterproductive to their efforts for compromise.

“I just don’t understand why he would be a messenger people would listen to,” said Charles N. Kahn III, who was a senior executive with the insurance industry group that ran the “Harry & Louise” advertisements credited with helping to kill the Clinton plan 15 years ago but who is working for a deal now. “I don’t think people are waiting to hear from him.”

Mr. Kahn, a Republican, is now the head of the Federation of American Hospitals, a private-hospitals group.
Mr. Scott is showing more support from some Republicans in Congress, though. Representative Michael C. Burgess, Republican of Texas and a member of the House health subcommittee, said in an interview that he had invited Mr. Scott to meet with him on Tuesday because he liked what Mr. Scott had been saying.

Mr. Scott declined several interview requests. His public relations firm, after initially offering to make him available for a discussion, later declined to answer questions about him, citing an exclusive arrangement with another publication.

In recent years, Mr. Scott, 56, has settled into a comfortable life in Naples, Fla., where he has built an investment portfolio that includes a chain of urgent-care clinics, some located in Wal-Mart stores, which Mr. Scott promotes as inexpensive alternatives to emergency rooms, especially for the uninsured.

Mr. Scott has said his sole policy interest is to see to it that whatever overhaul Mr. Obama and Congress consider does not move the country toward a socialized system and away from what he calls his four pillars of reform: “choice, competition, accountability and personal responsibility.”

“After spending over two decades in the health care provider industry, I’ve seen these principles work firsthand,” Mr. Scott said in a recent statement in which he also criticized Mr. Obama for seeking a $634 billion reserve fund for unspecified changes to the health care system.

Mr. Scott’s supporters say that he has been unfairly attacked over the years for challenging the longstanding orthodoxy of the nonprofit health care establishment.

“He has a much more businesslike approach to health care than anybody I’ve ever seen, and it is much more bottom-line-driven,” said Joshua Nemzoff, a hospital consultant based in New Hope, Pa., who has represented nonprofit hospitals in several deals with Mr. Scott. “He’s aggressive, and sometimes that rubs people the wrong way.”
Mr. Scott, a former Navy radar operator, built what would become Columbia/HCA from two hospitals in Texas into the largest health care chain in the world over just a few years. He seemed to relish publicly lambasting the nonprofit hospitals against which he competed and which he described as “non-taxpaying hospitals” impervious to real-world business concerns.

His approach earned him plenty of enmity, but also high praise. In 1996, Time magazine named him one of the “25 most influential Americans” for “transforming how American hospitals do business,” with an operation that “consolidates operations and imposes cost controls.”

Though Mr. Scott was not directly implicated in the fraud scandal — with whistle-blower suits filed against some hospitals before his acquisition of them — critics said his drive for profits had created incentive for fraud.

“The practices did pre-exist Rick Scott,’ said Stephen Meagher, a lawyer who represented some of the ex-employees whose complaints prompted the initial investigation. “They were aggravated by the pressure he put on HCA employees.”

In an interview this week with The Washington Independent, Mr. Scott said of the charges against his former company, “If you go back and look at the hospital industry, and the whole health care industry since the mid-1990s, it was constantly going through investigations.” He added, “Great institutions, like ours, paid fines.”

One defender of Mr. Scott, Mr. Burgess, the Texas lawmaker and a former HCA doctor, said of the investigation, “A lot of us just looked at it as somebody in Washington playing politics.”

Others say the scandal took place so long ago they can hardly remember it. “I remembered reading a newspaper article about it all,” said Merrill Matthews Jr., director of the Council for Affordable Health Insurance, a group that formed to fight the Clinton proposals and expects to fight Mr. Obama’s. Mr. Matthews said he would not shun Mr. Scott. “He’s bringing a lot of money to the table,” he said.