

Don Davis Transcript

Transcript: Don Davis, Chairman Emeritus of Rockwell Automation

-Business Health Care Group Annual Meeting, September 25, 2013

Good morning, everyone! I'm sorry that I can't be there in person to talk with each one of you. In 2002 a group of CEOs began meeting in order to deal with the rapidly escalating costs in health care. They came from companies like Badger Meter, Journal Communications, Manpower and others, including Rockwell Automation. We definitely needed to deal with and try to improve the health care costs that were totally out of control. They were rising considerably faster than general inflation rates, becoming a larger and larger portion of our expenses. And, to make matters worse, costs in Milwaukee and southeast Wisconsin were considerably above comparable costs in other Midwestern cities.

We commissioned a study in 2003 which confirmed what we already suspected – southeastern Wisconsin health care costs were 39% higher than the Midwest average, shown in data that came from cities like Cleveland, Chicago, Detroit, Indianapolis, Cincinnati and others. It was clearly time for the business community to step in and take a very active role in addressing this problem that was affecting the competitiveness of our companies – and it had to include CEOs or, in my opinion, it never would have been solved.

So in 2003, these CEOs formed the Business Health Care Group. We charged our staff to serve on various Business Health Care Group committees and to execute a strategy that would bring our health care costs down to or below the Midwest Average. You may recall that we really got off to a very slow start and thinking back on that, I can tell you part of the reason was that there was a lot of complexity involved. Every company had a slightly different health care plan and we were trying to get one solution that would fit everyone as best we could and that was very difficult to do. Some companies had bargaining units they needed to satisfy and we also recognized that we had a lack of understanding about the health care industry.

In spite of all the issues, the BHCG employer's commitment to the Business Health Care Group and its mission has never wavered in 10 years. Through the joint efforts of CEOs and their staff, our provider partners, our administrative partner, Humana, and the Business Health Care Group staff, we have made remarkable progress in addressing the costs in our community. I believe maybe the most important decision we made was to recognize we needed a full-time person to devote their entire day and working hours to resolve this problem. We hired Dianne Kiehl and it was one of the best things we ever did. She was well known in the health care industry; she was well respected by the employer community and understood many of the issues in the provider community.

I'm extremely proud and pleased with the progress BHCG has made over these past ten years. BHCG is now a much stronger force in the community than it was when it started. The Business Health Care Group is the voice of the employer in the community about health care issues. You still face challenges – don't doubt that – in the rapidly changing health care environment, as all of you know! But I'm confident you will meet that challenge successfully and get a whole lot done in the next ten years.

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I want to say congratulations to the Business Health Care Group and all those involved over these past ten years. I look forward to seeing what kind of success this group can have and what they can achieve in the next ten years. Thank you so much for this opportunity to address you. Enjoy the rest of the program and here's to your continuing success!