

# Your Money Your Future

Retirement planning strategies and personal finance tips from HealthSHARE – administrators of your THA Retirement Plan.

Texas Hospital Association Retirement Plan  
Fall 2010



## Quarterly Update

### 2010 Update – Third Quarter

#### Capital Markets Update

Results were positive across the capital markets during the third quarter, with equities and bonds posting gains. Equity markets were quite volatile during the third quarter, and nearly all of the gains for the quarter were derived from September's strong returns. Non-U.S. equities outpaced their U.S. counterparts in the quarter due to favorable change in sentiment regarding European debt and a generally weak U.S. dollar. Emerging markets were the top performers, returning 18 percent for the quarter. Non-U.S. bonds led U.S. bonds, posting a return of 6.1 percent versus 2.5 percent. The S&P 500 index gained 11.3 percent for the quarter and is up 3.9 percent year-to-date. Likewise, small-cap stocks were winners, with the Russell 2000 Index rising 11.3 percent. Global equities did well, with the MSCI EAFE Index and Emerging Markets Index gaining 16.5 percent and 18 percent, respectively. Fixed income investments were positive, advancing 2.5 percent for the quarter. The Federal Reserve kept its target rate at the December 2008 level of 0 - 0.25 percent.

#### Master Trust Update

The THA Retirement Plan master trust gained 9.31 percent during the third quarter and is up 5.31 percent year-to-date. The portfolio allocation was approximately 70 percent equity and 30 percent fixed income securities. On a 12-month basis, the master trust gained 9.3 percent. The overall asset base is allocated among large-cap stocks, small-cap stocks, foreign stocks and fixed income/cash equivalents. Trust fund assets were more than \$446 million at the end of the quarter.

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## When Zero Liability Isn't Enough

As the holiday season approaches, expenses start piling up. There are smaller expenses, like postage for the holiday cards you mail each year to your 100 closest friends, and larger expenses, like the plane ticket to visit your grandmother on the other side of the country. Before you whip out your debit card to pay for all those extra costs, however, you may want to think twice.

Debit cards and credit cards are covered under different federal regulations, meaning your liability for fraudulent transactions varies. Credit cards carry a \$50 limit on consumer responsibility for unauthorized use; many issuers waive all losses due to unauthorized credit card use. Debit card fraud, on the other hand, can expose cardholders to \$500 or more in liability, depending on how soon you report it. Your liability is \$50 if you notify the bank within two days of noticing the fraudulent charges. After that, your liability increases to \$500, and if you don't report the fraud within 60 days, your liability may be up to your entire account balance. In other words, if you report the theft after two days, you can be held responsible for paying for purchases or charges that you didn't make.

There are exceptions. Visa and MasterCard promise reduced liability for their branded debit cards – provided you meet their requirements. Visa's "zero-liability policy" doesn't cover ATM transactions or PIN transactions that don't go through the Visa network. MasterCard doesn't cover any transactions if a PIN is used, and it won't cover more than two theft events in a 12-month period. You also must exercise "reasonable care" in safeguarding your card from unauthorized use.

Many banks go beyond what Visa and MasterCard offer; check with your financial institution about your liability if your debit card is lost or stolen. And remember to treat your debit card as cash and always keep it in a safe place. ■



### THA Holiday Hours

The Texas Hospital Association will be closed to observe the holiday season from Dec. 23 to Jan. 2. The office will reopen on Jan. 3.

# Survey: Americans Fear Health Care Costs in Retirement

As Americans grapple with how the recent election results, pending legislation and economic recovery will affect their futures, one thing is certain: they remain fearful of not being able to pay for health care costs during retirement.

In a recent survey from financial services firm Edward Jones, nearly a quarter (23 percent) of Americans said not being able to pay for health care costs in retirement was their top fear, a percentage that has actually decreased over the last four years. In 2006, when Americans were polled on this topic, 30 percent said paying for health care was their greatest fear. The survey also found that 19 percent of Americans are worried about having to work longer to supplement retirement savings versus 12 percent in 2006.

Americans between the ages of 55 and 64 are considerably more worried (35 percent) about not being able to cover health

care costs than those of lower age brackets but not as worried as those polled in 2006 (43 percent). Gender also influenced this sentiment, as 27 percent of women indicated that they were most concerned about health care costs, while only 19 percent of men consider this their greatest fear post-retirement.

“While the numbers may have changed slightly from the 2006 survey, the concerns remain the same for Americans of all ages,” said Joan Fernandez, principal at Edward Jones. “We don’t know the future of health care costs and we can’t predict the outcome of elections, but we do have control over how we plan for retirement. This survey reinforces the need for a solid retirement plan that addresses the issues and fears that Americans have about saving for retirement.” **S**

## Quarterly Update continued from page 1

### Participant-Directed Program Update

The THA Participant-Directed Program offers 20 fund options from which employees may develop an investment plan to meet their specific retirement desires and goals. Open to defined contribution plans, it offers online access and comprehensive support through Milliman Inc. at [www.millimanbenefits.com](http://www.millimanbenefits.com). The participant-directed program fared well during the third quarter. All equity-based funds experienced significant gains. Best-performing asset classes were large and small cap growth stock funds and the international

equity funds. Total fund assets were more than \$59 million.

The THA Retirement Plan held its fall board meeting on Nov. 18 at the Texas Hospital Association headquarters building at 1108 Lavaca St. in Austin. For more information, please contact Fred Hamilton at [fhamilton@tha.org](mailto:fhamilton@tha.org) or 512/465-1082. Go to [www.healthshare-tha.com/tharetirementplan](http://www.healthshare-tha.com/tharetirementplan) for additional information about the THA Retirement Plan. **S**

Master Trust Performance	3Q10	YTD	1 YEAR	3 YEAR	5 YEAR
Master Trust Fund	9.31 percent	5.23 percent	9.30 percent	-2.94 percent	2.59 percent
*Custom Benchmarks	9.70 percent	5.82 percent	9.97 percent	-2.93 percent	2.70 percent

\*Combined Indices: S&P 500, Russell 2000, MSCI EAFE and Barclays Capital Aggregate Bond

PDRP Funds Performances	3Q10	YTD	3Q10	YTD	
<b>Equity Funds</b>		<b>LifePath Funds</b>			
Schwab S&P 500 Index	11.2 percent	3.8 percent	BlackRock LP Retirement	6.7 percent	6.3 percent
Thornburg Value	8.3 percent	-1.5 percent	BlackRock LP 2020	9.1 percent	5.5 percent
American Beacon Large Cap Value	10.5 percent	3.7 percent	BlackRock LP 2030	10.8 percent	4.7 percent
Growth Fund of America	10.7 percent	1.84 percent	BlackRock LP 2040	12.3 percent	4.1 percent
Goldman Sachs Mid Cap Value	14.2 percent	10.3 percent	Blackrock LP 2050	13.7 percent	3.6 percent
Columbia Acorn	13.6 percent	10.0 percent	<b>Fixed Income Funds</b>		
Wells Fargo Advantage Small Cap Growth	8.9 percent	7.4 percent	Schwab Retirement Advantage Money Market	0 percent	0 percent
<b>International Equity Funds</b>		Prudential Guaranteed Income			
Dodge & Cox International Stock	18.1 percent	5.3 percent	Schwab Stable Value	0.95 percent	2.87 percent
Lazard Emerging Markets	20.7 percent	16.3 percent	PIMCO Total Return	0.6 percent	1.7 percent
<b>Balanced Fund</b>		PIMCO Real Return			
Oakmark Equity and Income	5.8 percent	1.9 percent		3.4 percent	8.5 percent

# Have You Registered for the THA 2011 Annual Conference?

The Texas Hospital Association 2011 Annual Conference will be here before you know it! Don't miss this exceptional education and networking opportunity at a value you won't find at any other conference. The 2010 conference set attendance records and received rave reviews from attendees, and the 2011 conference promises to be even better. Come see for yourself! **Early registration ends Dec. 17.**

THA is partnering with Texas Healthcare Trustees, the Texas Association for Healthcare Financial Administration and the Texas Organization of Nurse Executives to meet the needs of your entire leadership team. Sessions sure to be of interest to all registrants include the following:

- **Prospering in the New Health Care Model.** Last year's popular opening keynote speaker, Len Nichols, Ph.D., returns to discuss what health care reform means in how health care is delivered in Texas and how Texas hospitals can position themselves to prosper in this new world of transparency and incentive realignment.
- **Achieving High-Quality, Low-Cost Care Amidst Payment System Reform.** Quality and value are at the forefront of health reform, and financial incentives and disincentives are being used to influence provider behavior. In this panel discussion, clinical leaders will share insights on initiatives being proposed to reduce spending and improve quality, such as penalties for readmissions and hospital-acquired conditions, bundling of payments, and value-based purchasing.
- **Session 2011: What Lies Ahead for Texas Health Care?** The Texas Legislature faces a projected budget deficit as high as \$20 billion at a time when health reform is being implemented and issues like trauma care, adverse event/infection reporting and mental health services will compete for funding. In this don't-miss panel discussion, attendees will gain a unique perspective from legislators and state leaders on what's ahead in the 2011 legislative session and beyond.
- **Leadership Challenges on the Road to Integrated Delivery.** In the upcoming decade, health care leaders face numerous risks and opportunities as they navigate the health care transformation agenda. The journey requires the implementation of innovative integrated care delivery models. In this presentation, Richard R. Pettingill, FACHE, 2010 Advanced Leadership Initiative fellow at Harvard University, provides leaders with creative ideas and practical tools to improve or design an integration strategy to achieve your unique organizational challenges.
- **Forgotten Fundamentals.** We're told to think outside the lines, to think outside the box – but what if the answers are still in the box? In order to take our lives and professions to the next level, we should ask, "What is possible? Can we exceed potential or do we just misjudge it?" Answers to the right questions already are inside your organization. Dan Clark, *New York Times* best-selling author and chief executive officer of Clark Success Systems, uses wit and personal anecdotes to outline the principles that today's health care leaders must embrace to lead their organizations as the industry undergoes its historical transformation.

If that's not enticing enough, here are a few more reasons to attend:

- **The Best Exhibit Show in the State:** The 2011 Exhibit Show is bigger and better than ever, with more than 100 exhibitors.
- **New Innovation Centers:** Educational presentations in the Exhibit Hall will showcase THA-member hospitals' best practices.
- **Great Prizes:** All early registrants automatically are entered into a drawing for one of three great prizes: a free conference registration, a free hotel stay during the event, or a complimentary registration for a 2011 THA webinar of your choice (up to a \$300 value). In addition, one lucky early registrant will win an extra chance at the drawing for a free car lease.
- **New Location:** This year's event will be held in the heart of downtown Austin at the Austin Convention Center.

For more information and to register, go to [www.tha.org/conf2011](http://www.tha.org/conf2011). 

**THA ANNUAL CONFERENCE**   
2011  
TEXAS HOSPITAL ASSOCIATION  
**FEBRUARY 2-3**  
AUSTIN CONVENTION CENTER

## Healthy, Wealthy and Wise



### Preventing Colds through Exercise


As the weather turns colder, the noses turn runnier – but incidence of colds can be greatly reduced by making exercise a part of daily life, according to the American College of Sports Medicine.

David C. Nieman, Dr.PH., says that multiple studies have shown a 25- to 50-percent decrease in sick time for active people completing at least 45 minutes of moderate-intensity exercise (such as walking) most days of the week.

"This reduction in illness far exceeds anything a drug or pill can offer," Nieman said. "All it takes is a pair of walking shoes to help prevent becoming one of the thousands predicted to suffer from the common cold this winter."

However, if you're already sick and aren't sure whether to hit the gym or the couch, Nieman offers these tips:

- **DO** exercise if your cold is confined to your head, such as illnesses with runny noses and sore throats.
- **DON'T** overdo it. If you have a cold, keep exercise to a moderate-intensity level (i.e., walking). Studies have not shown any negative effects of moderate exercise for those suffering from common colds.
- **DO** stay in bed if your illness is "systemic" – that is, beyond just the sniffles of a regular cold. Respiratory infections, fever, swollen glands and extreme aches and pains are all good reasons to rest up instead of working out.
- **DON'T** jump back in too soon. If you're recovering from a more serious bout of cold or flu, gradually ease back into training after at least two weeks of rest.

Nieman also advises exercising prior to receiving a flu shot. Moderate-intensity exercise just before getting the shot has been shown to improve the body's response to the vaccine, boosting immunity. 

# Protect Yourself from Identity Theft This Holiday Season

Misperceptions about identity theft liability could catch some consumers by surprise this holiday shopping season and leave them holding the bag for common ID theft schemes, according to a new poll by AAA Texas.

The AAA Texas Annual Holiday Season Travel and Shopping Poll of more than 200 local residents reveals that 83 percent plan to pay for their holiday purchases primarily with credit or debit cards. However, almost half of those surveyed have little or no concern about identity fraud happening to them this shopping season even though 11 million Americans were victimized in 2009 by this crime. Also, more consumers are concerned about online ID theft than retail ID theft despite the fact that identities are stolen more often at retail locations, according to FBI statistics.



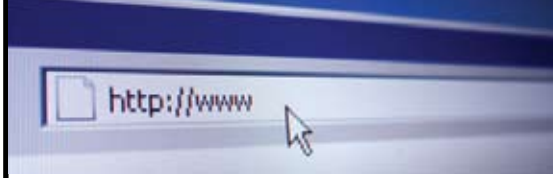
One of the top-cited methods consumers use to protect their identity, according to the poll, is reviewing their monthly credit card and bank statements to ensure charges are accurate. The survey showed that some of the most effective methods to protect identities are some of the least used by consumers, however, including:

- \* Enrolling in fraud protection with your credit card companies (just 22 percent of those polled say they do this) or with a professional credit/identity monitoring service (19 percent);
- \* Monitoring credit bureau reports monthly through alerts from a professional credit monitoring service (31 percent);
- \* Checking your credit score at least twice a year (35 percent); and
- \* Requesting and reviewing a free credit report from any of the three major credit bureaus (45 percent).

AAA Texas recommends that holiday shoppers take the following precautions to protect their identities this season:

- \* Carry only the credit/debit cards and identification that you intend to use on your shopping trip;
- \* Keep your purse/wallet secure and zipped, and don't store your cards or ID in a backpack, which can be more easily pickpocketed;
- \* Don't let your credit card out of sight when buying to avoid "skimming," or stealing of your card number;
- \* If entering your PIN for a debit card transaction, be sure to shield it from view of others;
- \* When shopping online, make sure the shopping site has a padlock icon in the bottom right corner and a security certification such as VeriSign; and
- \* Avoid shopping online on a shared public computer or accessing online shopping sites on public, unsecured Wi-Fi networks in locations such as coffee shops.

## Worthy Website



**Credit.com**

In the market for a big loan? You may want to check your credit score first. Just a few points can make the difference between a good rate and a great rate on a loan – but if you plan in advance, you can improve your score before making a big purchase. Credit.com ([www.credit.com](http://www.credit.com)) was established in 1995 with the goal of helping consumers with any credit standing establish, rebuild, enhance and effectively use credit. The site's free Credit Report Card pulls your credit (without hurting your rating) and gives you an accurate real-time estimate of your credit score with an easy-to-understand snapshot of your data along with a grade from A+ to F and actionable feedback in each of the five main areas that make up your credit rating. [S](#)

### THA Retirement Plan

The THA Retirement Plan, sponsored by the Texas Hospital Association, provides retirement benefits for more than 15,000 health care employees in Texas. The plan is governed by a board of Successor Trustees, which makes investment decisions on behalf of the plan's participants, and is administered by HealthSHARE, a wholly owned subsidiary of THA. [www.healthshare-tha.com/tharetirementplan](http://www.healthshare-tha.com/tharetirementplan)

### Your Money Your Future

*Your Money Your Future* is published quarterly by HealthSHARE for participants in the THA Retirement Plan. Because each person's financial and retirement circumstances are different, you should consult with a financial planning professional before implementing any ideas found in this newsletter. For specific information on your participation in the THA Retirement Plan, contact your human resources department.

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