DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

FY 2025-26 JOINT BUDGET COMMITTEE

REQUEST FOR INFORMATION – LEGISLATIVE REQUEST #9

#9 The Departments are requested to provide by November 1 of each fiscal year responses to the following:

    a. Based on the Department's most recent available record, what is the FTE vacancy and turnover rate: (1) by department; (2) by division; (3) by program for programs with at least 20 FTE; and (4) by occupational class for classes that are located within a larger occupational group containing at least 20 FTE

    b. To what does the Department attribute this turnover/vacancy experience?

    c. Do the statewide compensation policies or practices administered by the Department of Personnel help or hinder the department in addressing vacancy or turnover issues?

WRITTEN RESPONSE ONLY

The vast majority of HCPF's budget is paid directly to providers who care for members enrolled in medical assistance programs. HCPF has grown administratively as new state and federal laws are enacted. For example new state laws included 184.1 FTE since FY 2018-19; 72.1 FTE were added through budget requests as conversions of contractors who were paid at higher rates than the more efficient FTE alternative; and 27.6 staff were added to address federal compliance for systems for projects like the Blue Button and modularization of procurements that are required.

Following the FY2018-19 Long Bill, HB18-1322, HCPF grew by 352.8 FTE. Of that FTE growth, more than 80% of the growth was from new state laws, FTE to contractor conversion, and federal compliance needs:

- New state laws: 184.1 FTE; 52.2% of FTE growth
- FTE to contractor conversion: 72.1 FTE; 20.4% of FTE growth
- Federal compliance: 27.6 FTE; 7.8% of FTE growth.

1   Below are the tables with the most recent data on FTE vacancies and turnover.

Table 1 - Turnover and Vacancy Rate by Department and Office for FY 2024-25			
Office	Number of Unique Positions	Turnover Rate[1]	Vacancy Rate[2]
Executive Director's Office	46.0	17%	11%
Behavioral Health Incentives & Coverage	36.0	28%	6%
Cost Control and Quality Improvement	90.9	10%	10%
Finance Office	169.8	14%	12%
Health Information Office	102.0	14%	21%
Health Policy Office	57.0	9%	33%
Medicaid Operations Office	234.0	8%	11%
Office of Community Living	146.3	12%	5%
Pharmacy Office	21.0	5%	19%
Policy, Communications and Administration Office	69.0	9%	10%
Total by Department	**972.0**	**11%**	**12%**

[1] Turnover rate is calculated as the number of times an employee separated from the Department in FY 2024-25, either voluntarily or involuntarily, divided by the average number of employees during the fiscal year.

[2] Vacancy rate is the percentage of times in FY 2024-25 that positions have been vacant. This includes positions that separated prior to July 1, 2024, but remained vacant for a period of time in FY 2024-25.

Table 2 - Turnover and Vacancy Rate by Program greater than 20 FTE for FY 2024-25			
Office	Number of Unique Positions	Turnover Rate	Vacancy Rate
Member Contact Center	26	8%	12%
Total by Program	**26**	**8%**	**12%**

Table 3 - Turnover and Vacancy Rate by large Occupational Group for FY 2024-25			
Office	Number of Unique Positions	Turnover Rate	Vacancy Rate
Accountant II	11	9%	9%
Accountant III	10	10%	0%
Administrator II	15	7%	13%
Administrator III	69	12%	10%
Administrator IV	81	7%	11%
Administrator V	15	7%	7%
Analyst III	44	11%	36%
Analyst IV	49	8%	14%
Auditor III	10	0%	10%
Compliance Specialist III	22	14%	0%

Compliance Specialist IV	23	0%	0%
Contract Administrator IV	14	21%	0%
Policy Advisor III	23	22%	26%
Policy Advisor IV	53	13%	11%
Policy Advisor V	13	0%	8%
Program Assistant I	10	10%	0%
Program Assistant II	14	14%	0%
Program Management I	60	8%	7%
Program Management II	71	7%	8%
Program Management III	27	7%	0%
Project Coordinator	11	36%	45%
Project Manager I	16	19%	13%
Rate/Financial Analyst I	13	15%	38%
Rate/Financial Analyst II	23	9%	4%
Rate/Financial Analyst III	11	0%	9%
Rate/Financial Analyst IV	12	0%	17%
Training Specialist III	10	0%	10%
Training Specialist IV	10	21%	11%
Statistical Analyst II	9	11%	11%
Statistical Analyst III	12	8%	33%
Total by Occupational Group	**780**	**10%**	**12%**

2   To what does the Department attribute this turnover/vacancy experience?

The Department attributes the turnover/vacancy experience to the following areas:

a. Pay plans- To address high turnover and/or hard-to-fill positions, pay plans have shown to increase retention by providing hiring managers with more competitive starting pay for new hires and delayed increases for current staff. This has resulted in starting at midpoint within the pay/step plan.

- Member Contact Center (MCC) – There is an approved pay plan structure for the Administrator Series that allows for advancement/promotion to higher level classifications as experience is obtained. Thus, the turnover from lower-level Administrator's to higher levels.

- Health Information Office (HIO) – In order to obtain and retain highly qualified Project Coordinators and Project Managers, the Department has had to offer a more market-competitive compensation pay plans after multiple recruitment failures.

b. Equity Analysis- The Department continually performs equity analysis to ensure employees are being paid fairly based on their gender and professional experience.

c. Vacancy Rates – Human Resources Data Warehouse (HRDW) reporting needs to be reviewed to ensure accurate vacancy reporting since this report calculates term limited positions that may no longer be funded and still show vacant. Implementation of the backfill request process helps the Department track business needs and determine

which positions can be filled immediately, delayed, and/or repurposed for business needs.

 d. Turnover – Overall, the pay at the Department is not the primary reason for turnover. Based on the data provided, turnover is as follows:

- 38.0% - Accepting a position outside of state employment (24 of 63)
- 15.0% - Retirement
- 15.0% - Moving out of the state
- 9.5% - Personal reasons
- 3.2% - Dissatisfied with pay (2 of 63)
- 15.0% - No reason given, termination (to include ending of term-limited positions), or did not pass probationary period

 e. Strong Culture – The Department intentionally builds belonging through mentorship programs, seven Affinity groups, Ambassadors for new employees, and the Equity, Diversity, Inclusion & Accessibility (EDIA) Core Committee. These initiatives provide employees with psychological safety, connection, and support, which contribute to reduced turnover.

 f. Continuous Growth and Development – The Department provides a continuous environment and demonstrates a commitment to employee development with the following opportunities:

- Passive learning with LinkedIn Learning
- Certification programs through CU Boulder partnerships
- Virtual and in-person team building
- Leadership development led by Department trainers
- Access to internal and executive-level leadership coaches
- Multiple leadership and Medicaid-based academies

3 Do the statewide compensation policies or practices administered by the Department of Personnel help or hinder the department in addressing vacancy or turnover issues?

DPA Provided Compensation Policies and Practices

- Pros –
  - State Personnel Board Rule and Division of Human Resources (DHR) Compensation Team practices provide consistent baseline processes for all agencies.
  - DHR Compensation Team allows approved exceptions, enabling tailored compensation practices that serve as effective retention strategies.

4 Recent updates to Chapter 3 of the Board Rules created beneficial options (e.g., revised eligibility for Acting Assignments), enabling appointing authorities to better support employees.

- Cons –
  - Division of Human Resources market analysis pay bands may not fully align competitive and livable wage standards, potentially triggering turnover.
  - Removing merit-based compensation programs may decrease motivation, increase turnover among top performers, and weaken workforce competitiveness.
  - Managers sometimes misuse Competency Based increases (CBIs) to reward high performers, although to reward exemplary performance.
  - Base-building pay increases are limited to CBIs and Equity adjustments, restricting managers' ability to reward exemplary performance.
  - CBIs require additional development to qualify, which does not always reflect an employee's contribution.

Step Pay Plan
- Pros –
  - Currently unknown at this time, but potentially beneficial.
  - A State-supported, statewide pay plan based on classifications could unity compensation philosophy and application across agencies, offering employees a guaranteed minimum based on time in classification.
  - Provides an avenue for pay increases beyond the Cost of Living (COLA) and Across-the-Board (ATB) adjustments.
  - Incentivizes retention by regarding time-in-series and subject matter expertise.
- Cons
  - Still largely unknown in its impact to the Department.
  - Requires signification change management to transition from current practices.
  - Steps based on time in classification may disadvantage long-term employees who recently changed classifications.
  - Step Pay Plan could discourage cross-training and movement between classifications, potentially conflicting with skills-based hiring initiatives.
  - The plan may block career progression within the Department where advancement requires classification changes.
  - Creates inconsistencies between valuing time-in-classification series (TIS) and valuing all related experience, as directed by DPA.
  - Interactions with CBIs, non-based building increase, and overpayment rules are unclear and potentially problematic.
5 No reliable source of TIS data exists, creating risk of costly errors in calculating pay.