

ON THE FRONT LINES: Health and Human Services Organizations During COVID-19

Health and Human Services (HHS) organizations are often the boots on the ground healthcare providers for some of our most vulnerable populations. For years these organizations have been experiencing increases in demand, while simultaneously combatting extreme inconsistency in government funding. These challenges have only been exacerbated by the emergence of the COVID-19 pandemic.

To drill down into specific challenges impacting HHS organizations, we analyzed their responses to our [annual benchmarking survey](#). Here are our top findings:

HHS Organizations are Divided on Performance

Despite challenges, our survey found that **nearly half of HHS organizations say they are able to maintain more than adequate funding and/or are experiencing growth**. However, the survey was fielded just prior to COVID-19 so it's possible their optimism has dwindled.

Thriving



Surviving

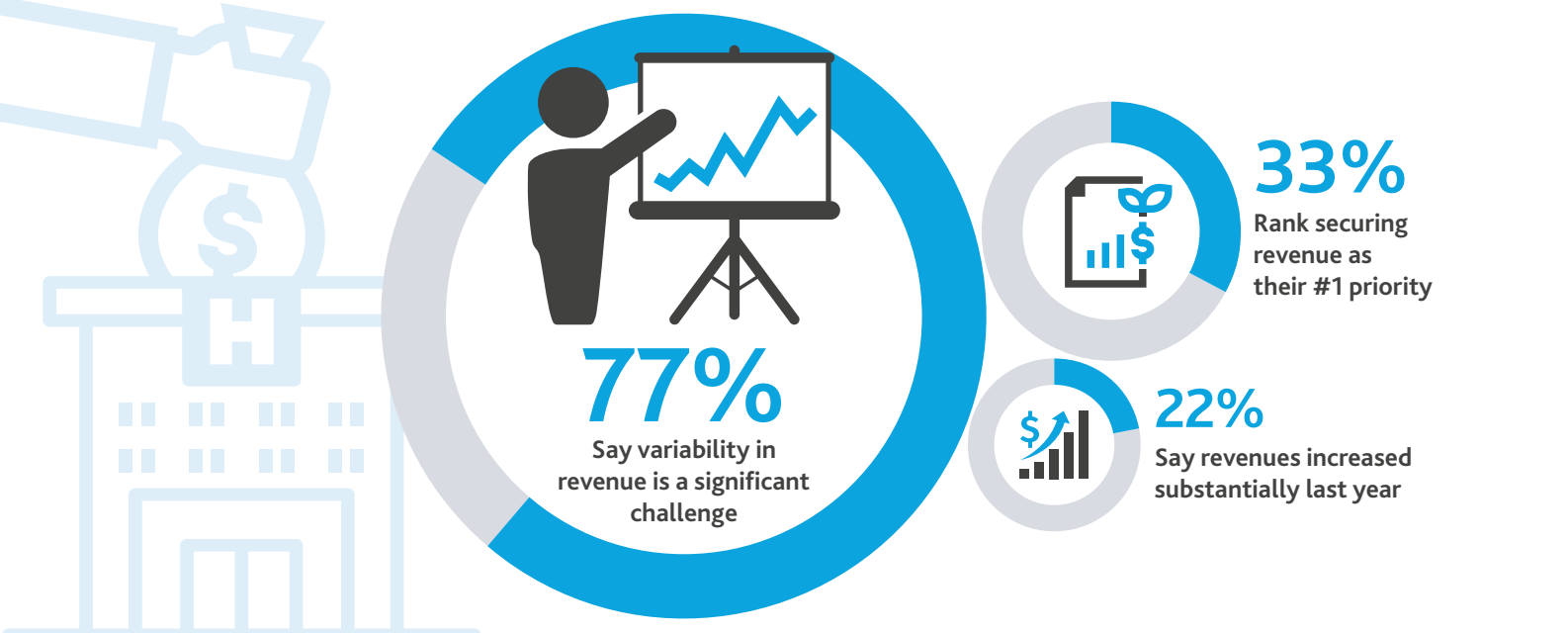


Struggling



Funding is Top Priority

HHS organizations are typically heavily dependent on governments and agencies for funding, but over the course of the past several years, funding cycles have been inconsistent at best, leaving many organizations struggling with prolonged financial uncertainty.



Organizations May be Falling into the Starvation Cycle

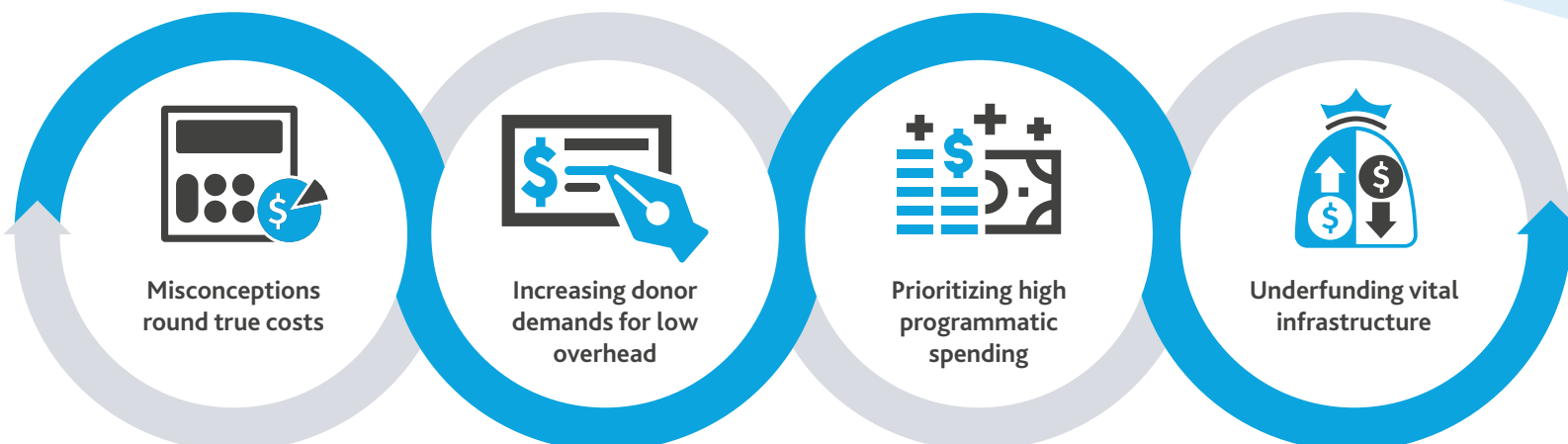
Many organizations prioritize spending on programs: Nearly all (95%) respondents report that 70%-99% of their expenditures are program-related. This often comes with a cost: Many organizations aren't properly funding their internal infrastructure—functions like human resources, information technology and other functions.

Long-term underfunding in these areas creates unrealistic expectations around the true costs of running these organizations. This phenomenon is known as the "starvation cycle."

Our survey found



of HHS organizations claim securing capital needed for infrastructure investments is a challenge.



This phenomenon also leaves organizations vulnerable to any unexpected costs. **Sixty percent of respondents in our survey have six months or less of operating reserves on hand**, meaning managing COVID-related expenses like PPE or remote work software likely presented substantial issues.

Technology Helps Fuel Care

From transitioning to a partially remote workforce to enabling telemedicine visits for rural populations, technology can assist HHS organizations in performing their vital work.



BDO TAKE: While HHS organizations face many challenges, they remain a vital part of delivering care to those who need it most. By shoring up liquidity and making smart investments in technology, organizations will be able to continue to help serve our most vulnerable populations.

For information on how to help your HHS organization during this time, please visit our [Crisis Response Resource Center](#) and [subscribe to our nonprofit blog](#). For more findings from our annual benchmarking survey, [download the full report](#).

BDO's dedicated Nonprofit team can help your organization navigate challenges while remaining true to your mission. [Learn more:](#)



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