

REQUEST FOR EXPRESSIONS OF INTEREST

CONSULTING SERVICES

Selection # as assigned by e-Tool: RG-E1656-P001

Selection Method: Full Competitive Selection

Country: Regional

*Sector: SCL/SPH*

*Funding – TC #: RG-E1656*

*TC name: Active and Healthy Aging: the cost of inaction and elements for action*

*Description of Services: contract a consultancy to project future health spending in LAC based on sociodemographic and epidemiological trends, with the ability to estimate how changes in treatment patterns would affect population health and total spending.*

*Link to TC document: [Web link to approved public document]*

The Inter-American Development Bank (IDB) is executing the above-mentioned operation. For this operation, the IDB intends to contract consulting services described in this Request for Expressions of Interest.

Expressions of interest must be delivered using the IDB Portal for Bank Executed Operations ( <http://beo-procurement.iadb.org/home>) by*: [02/21/2020], 5:00 P.M*. (Washington D.C. Time).

The consulting services (“the Services”) include:

Develop a model to project future health spending in LAC based on sociodemographic and epidemiological trends, with the ability to estimate how changes in treatment patterns would affect population health and total spending within an estimated timeframe of (18 months)

Eligible consulting firms will be selected in accordance with the procedures set out in the Inter-American Development Bank: [*Policy for the Selection and Contracting of Consulting firms for Bank-executed Operational Work*](http://idbdocs.iadb.org/wsdocs/getdocument.aspx?DOCNUM=38988574) - GN-2765-1. All eligible consulting firms, as defined in the Policy may express an interest. If the Consulting Firm is presented in a Consortium, it will designate one of them as a representative, and the latter will be responsible for the communications, the registration in the portal and for submitting the corresponding documents.

The IDB now invites eligible consulting firms to indicate their interest in providing the services described below in the draft summary of the intended Terms of Reference for the assignment. Interested consulting firms must provide information establishing that they are qualified to perform the Services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Eligible consulting firms may associate in a form of a Joint Venture or a sub-consultancy agreement to enhance their qualifications. Such association or Joint Venture shall appoint one of the firms as the representative.

*Special requirements according to the Donor Trust Fund (DTF), if applicable.*

Interested eligible consulting firms may obtain further information during office hours, 09:00 AM to 05:00 PM, (Washington D.C. Time) by sending an email *to: dpinto@iadb.org*

Inter-American Development Bank

Division: *SCL/SPH*

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*Selection process: RG-E1656-P001*

**TERMS OF REFERENCE**

**Consultancy to conduct a study of Future Health Spending and Treatment Patterns in Latin America and the Caribbean**

*Regional*

*SCL/SPH*

*RG-E1656*

*Active and Healthy Aging: The cost of inaction and elements for action.*

1. **Background and Justification**

**1.1** The Social Sector (SCL) is a multidisciplinary team convinced that investing in people is the way to improve lives and overcome the development challenges in Latin America and the Caribbean (LAC). Jointly with the countries in the region, the Social Sector formulates public policy solutions to reduce poverty and improve the delivery of education, work, social protection, and health services. The objective is to advance a more productive region, with equal opportunities for men and women, and greater inclusion of the most vulnerable groups.

The Social Protection and Health Division (SPH) is tasked with the preparation and supervision of IDB operations in borrowing member countries in the areas of social protection (safety nets and transfers and services for social inclusion which include: early childhood development, youth programs, care services for dependency, among others), health (health capital investment strategies, health networks strengthening, health system financing, organization and performance, etc.) and nutrition.

**1.2** The increase in longevity of the population and in the number and share of the total population of older adults in Latin America and the Caribbean (LAC) is likely to have major economic implications as the burden of disease changes due to this demographic shift. Health care expenditure is projected to rise faster than economic growth for many reasons, including the shift toward chronic and noncommunicable diseases which are more costly to manage and treat. Moreover, medical technologies are changing rapidly and many of them are cost-increasing rather than cost-saving. Another dimension of aging is the need that many older adults have for Long Term Care (LTC), defined as services and support for people that need help from others to perform activities of daily living. There is evidence that people with NCDs have higher rates of functional dependency and thus demand more LTC, which provides a further rationale for addressing these issues jointly. Total health expenditure in LAC is expected to increase substantially and, given budgetary restrictions, the region’s health systems need to identify the factors that will drive health costs and implement policies to prevent or mitigate them.

**1.3** Detailed and comparable health and dependency profiles of the 50+ population have not been produced for the LAC region, nor for population groups that may be disproportionately affected by the aging phenomenon. Available research on this matter is mostly country specific, based on local information and limited to a set of countries. Studies on health spending in the region consist of a few country-specific microsimulations to project total health spending and analyze scenarios of health spending under different assumptions of prevalence of disease and risk factors, technological growth, treatment practices, prices, and health productivity. Other work available for the region employs forecasting models, in which health expenditures are estimated from population projections for cohorts of individuals grouped according to key attributes, such as age and gender. These projections also incorporate assumptions on non-demographic determinants of expenditure growth, such as income and proxies for technological change. Overall results conclude that health expenditure will increase in the medium term, although with wide uncertainty on the magnitude of growth. With the exception of microsimulations, for which results are country-specific, major limitations of the available literature described above, besides not covering the full span of countries, include omission of key drivers of health spending such as epidemiological patterns, cost of treatment of each disease or in technological progress, not accounting for changes in these drivers over time, and modelling trends with parameters extrapolated from advanced economies that may not apply to LAC. Development of scenarios to explore health policy changes has been very limited.

**1.4**  The Inter-American Development Bank´s Social Protection and Health Division seeks to fill these gaps by developing a regional cost projections due to demographic, epidemiological and economic changes associated with aging and based on a richer set of sociodemographic and health factors that will make it possible to simulate the effects of different policies. The analyses will cover all countries of the LAC region and disaggregate some of the analyses for populations of interest, thus expanding the breadth of available information. The results will help governments understand the magnitude and scope of the long-term challenges they face from the changing burden of disease and aging, with implications for better planning that can focus public policies on diseases, subpopulations, or services which have the greatest potential for gains in health and efficiency.

1. **Objectives**

The IDB seeks to contract a consultancy to project future health spending in LAC based on sociodemographic and epidemiological trends, with the ability to estimate how changes in treatment patterns would affect population health and total spending. Specifically, the results of the consultancy should answer the following questions:

1. How will health expenditures in LAC evolve over the next 30 years based only on projected demographic trends and holding constant (a) the associated burden of disease by age-sex cohort and (b) the costs of current treatment patterns (summarized by the per capita spending by disease and age-sex cohort)?
2. How is the disease burden associated with specific age-sex cohorts in LAC likely to change? And how will these disease patterns, when combined with demographic change, affect health expenditure over the next 30 years (assuming per capita spending by disease and age-sex cohort can accommodate increased need)?
3. If per capita health expenditure by disease and age-sex cohort were held constant, how are treatment patterns likely to change in LAC over the next 30 years? And how would aggregate health expenditure evolve over the next 30 years?
4. Given the answers to the prior questions, what changes to treatment patterns would improve population health while reducing or slowing the growth of health expenditures (e.g., reallocations to preventive care, integration of health care with social services)?
5. **Scope of Services**

Develop a model to project health expenditures in LAC based on sociodemographic and epidemiological trends and which can be used to simulate the effects of altering treatment patterns on population health and total spending.

1. **Key Activities**

4.1 Present a detailed plan of analysis with: the model for conducting the projections and policy simulations; the main sources of sociodemographic, epidemiological and expenditure information; key assumptions; sources of uncertainty; and basis for assuring results that are representative for LAC.

4.2 Conduct the proposed analyses and prepare a document with the main results, an assessment of uncertainties and robustness, and policy recommendations.

4.3 Present the main results and conclusions for an IDB hosted research seminar.

1. **Expected Outcome and Deliverables**

5.1 Workplan with detailed description of analytical approach and data sources.

5.2. Report presenting the results of the data identification/collection process and, if necessary, a revised analysis plan.

5.3. Report with the relevant descriptive statistics (ie. burden of disease, expenditures), analysis and findings related to questions 2.2 and 2.2 above.

5.4. Revised report including the analysis related to questions 2.2 and 2.4 above, plus conclusions and recommendations.

5.5. Databases used for the analyses with respective dictionaries, coding and do-files. Format will be agreed in conjunction with the Bank according to the available data.

5.6. Presentation of the main results and conclusions for a research seminar.

1. **Project Schedule and Milestones**

Expected duration of the project is 18 months from signature of contract according to the following tentative table.

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| --- | --- |
| **Milestones/deliverables** | **Delivery date after signature of contract** |
| Workplan Deliverable 5.1 | Week 4 |
| Feedback from IDB | Week 5 |
| Conference call and progress report with IDB | Week 9 |
| Deliverable 5.2 | Week 13 |
| Feedback from IDB | Week 14 |
| Conference call with IDB | Week 24 (6 months) |
| Conference call and progress report with IDB | Week 35 (8 months) |
| Deliverable 5.3 | Week 44 (10 months) |
| Conference call for discussion with IDB | Week 46 |
| Conference call with IDB | Week 60 (14 months) |
| First draft of Deliverable 5.4 | Week 65 (15 months) |
| Conference call for discussing first draft with IDB | Week 67 |
| Second draft circulated | Week 70 |
| Conference call for discussing second draft with IDB | Week 71 |
| Deliverables 5.4 and 5.5 | Week 74 (17 months) |
| Deliverable 5.6 | Week 78 (18 months) |

1. **Reporting Requirements**

Every report must be submitted to the Bank in a digital file in English. The report should include cover, main document, and all annexes. Zip files will not be accepted as final reports, due to Records Management Section regulations. The database shall be generated in a format most suitable for relevant statistical analyses, to be agreed with IDB.

1. **Acceptance Criteria**

Upon submission, all deliverables will be reviewed by members of qualified staff from SCL/SPH or external experts if deemed necessary. If the reviewers deem that the deliverables meet the requirements as stated in the TORs the product will be accepted.

1. **Other Requirements**

The required firm must have international expertise in epidemiologic analysis and applied health economics research¸ addressing the topic of international comparisons of health expenditure. The research team must demonstrate capacity to produce academic publications and policy reports dealing with the assessment of health policies and programs in developing and developed countries, from both the methodological and applied points of view. Capacity to work with closely with researchers and government agencies at the country level must also be demonstrated.

1. **Supervision and Reporting**

The work will be supervised by Diana Pinto (SCL/SPH) ([dpinto@iadb.org](mailto:DPINTO@iadb.org)), Health Lead Specialist, who will provide comments and approve documents and reports, give comments or any instructions for changes, as well as schedule periodic meetings for project assessment. It shall be Firm’s responsibility for ensuring that such meetings are conducted, and such reports are submitted to the Bank.

1. **Schedule of Payments**

Payment terms will be based on project milestones or deliverables according to the schedule below.

20% upon submission of deliverable 5.1

30% upon submission of deliverables 5.2 and 5.3

40% upon submission of deliverables 5.4 and 5.5

10% upon submission of deliverable 5.6

The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.