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Measuring the Appropriate Outcomes for Better Decision-Making: A Framework to Guide the Analysis of Health Policy Based on an Inclusive Growth Framework

Economic evaluations of health policy often struggle with the weighting of health and non-health outcomes and considerations of inequality. The Organization for Economic Co-operation and Development's (OECD's) inclusive growth framework offers a novel approach for improved evaluation of policies which aggregates societal outcomes in terms of income, life expectancy, unemployment rates and inequality into a single measure of living standards. Using an inclusive growth index of living standards developed by the OECD, this paper decomposes growth in living standards (as defined by the OECD) due to increased life expectancy in Canada between 2000 and 2011 by cause of death and estimate the equivalent value of these reductions in mortality in terms of billions of dollars of income. We discuss factors underlying these reductions in mortality and suggest how they have been linked to policy. This exercise illustrates one simple way in which the inclusive growth framework can be used to evaluate the impacts of health policy.