The Finance and Economic Development Committee this year focused on regulation of virtual currency businesses, models of innovative economic development, and Medicaid cost containment. The committee wrapped up the session by providing members an opportunity to share information about finance and economic development issues in their respective states.

Regulating Virtual Currency Businesses
Mr. Fred Miller, chair of the Uniform Law Commission’s (ULC) Drafting Committee on the Regulation of Virtual Currency Business Act, provided an overview of the ULC’s efforts to develop a model law to regulate virtual currency businesses. He stated that the use of virtual, or digital, currency that allows users to conduct transactions online has dramatically increased and evolved over the past few years, prompting state and federal authorities to consider how best to regulate this growing area of business to protect the public. He stated that the ULC has also examined issues such as licensing requirements, reciprocity, consumer protection, cybersecurity, anti-money laundering, and supervision of licensees in the consideration of the Act.

Mr. Miller stated that the interest in virtual currency arises because it is allegedly safer from hacking, often cheaper and faster, and has finality of payment. Virtual currencies have legitimate purposes and can be purchased, sold, and exchanged with other types of virtual currencies or real currencies. According to Mr. Miller, some states, including New York and California, have looked at ways to regulate virtual currencies, and others are soon to follow.

Mr. Miller highlighted the major sections in the draft Uniform Regulation of Virtual Currency Business Act, which was approved and recommended for enactment in all states by the National Conference of Commissioners on Uniform State Laws at their recent annual conference in San Diego, California. It is the aim of this Act, according to Mr. Miller, to put forth a model law that makes it easier for state legislators, as well as the public, to regulate this growing area and to provide uniformity to this space, rather than have different state laws.

Information about the drafted Uniform Regulation of Virtual Currency Business Act is available on the ULC website. Information about the draft Act, including comments, letters, memos, etc. is available HERE.

Models of Innovative Economic Development
Oregon Manufacturing Innovation Center

Oregon Senator Betsy Johnson and William Gerry, Program Manager for Global Technology at The Boeing Company, provided a presentation about the Oregon Manufacturing Innovation Center (OMIC). Launched in January of 2017, OMIC is a collaborative environment that brings together industry, higher education and government to develop new tools, techniques, and technologies to address near-term manufacturing challenges through applied research and advanced technical training.
OMIC serves as a catalyst to enhance the competitiveness of the metals manufacturing industry, serving companies of all sizes through an industry-driven collaborative. According to both Senator Johnson and Mr. Gerry, OMIC has provided a critical mass of workforce and innovation to the region, creating an innovation park for advanced manufacturing for the state.

Senator Johnson highlighted the partners that comprise OMIC, which include The Boeing Company, the broader regional metals manufacturing industry and employers, Portland Community College, Portland State University, Oregon State University, and the Oregon Institute of Technology. Information about OMIC can be viewed and downloaded HERE.

The Democracy Collaborative

Jessica Bonanno, Chief Financial Officer and Director of Employee Ownership Programs at The Democracy Collaborative, provided committee members an overview of her organization. Through cutting-edge research and a diversity of programs, The Democracy Collaborative works to carry out a vision of a new economic system where shared ownership and control creates more equitable and inclusive outcomes, fosters ecological sustainability and promotes a flourishing democratic and community life.

Ms. Bonnano discussed some of the services and programs from The Democracy Collaborative, involving research, training, policy development, and community-focused work. She also outlined the key areas of focus for the organization, revolving around its advisory role in the community; research to build knowledge and leadership; engaging communities and institutions and connecting them to innovative strategies through field-building; and raising awareness about the need for systemic change. Information about The Democracy Collaborative can be obtained HERE.

Health Care: Cost Containment and Innovative Expansion Strategies

Lindsey Browning, Program Director of the National Association of Medicaid Directors (NAMD), provided an overview of her organization’s efforts to push for Medicaid payment reform. Ms. Browning stated that the rapid growth of health care costs in the U.S., coupled with the fragmentation and uncoordinated fee-for-service at the provider level, among other things, demands payment reform. According to Ms. Browning, Medicaid’s purchasing power can be used to seek greater coordinated health care and contain cost growth.

Ms. Browning discussed the findings of a recent report by NAMD, in partnership with The Commonwealth Fund, which highlighted mixed approaches to alternative payment models among the states. The report’s conclusions were that 1) payment reform is happening nationally in Medicaid; 2) implementation of alternative payment models varies by state; 3) payment reform is occurring through Managed Care Organizations and direct contracting with providers; 4) initial focus is on primary and acute care; and 5) states with State Innovation Model grants and Delivery System Reform Incentive Payment programs tend to be further along.

Ms. Browning highlighted some of the opportunities in Medicaid payment reform, including multi-payer alignment, long-term services and support, social determinants and behavioral health integration. She also outlined some takeaways for western state legislators:

- Medicaid directors are driving payment reform to reduce fragmentation, improve quality and contain cost growth;
- Medicaid innovation, especially alternative payment models, require significant state investment;
• It will take time to evaluate new payment models, but early evidence is promising; and
• Multi-payer alignment is a challenging but increasingly important opportunity.

For more information about the NAMD, visit www.medicaiddirectors.org. A copy of Ms. Browning’s presentation can be viewed HERE.