Moving to Global Location Numbers (GLNs): Considerations for Healthcare Trading Partners: GLN Best Practices for Suppliers

Part 3 in a GHX Educational Series for the Healthcare Community

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Moving to Global Location Numbers (GLNs): Considerations for Healthcare Trading Partners

*Education Paper #3: GLN Best Practices for Suppliers*

**Introduction**

Major group purchasing organizations (GPOs) and some healthcare systems have set December 31, 2010, as the sunrise date by which they will require healthcare trading partners to use GS1’s Global Location Numbers (GLNs) in business transactions. While healthcare providers must take the first step by enumerating themselves with GLNs in place of proprietary account numbers, healthcare suppliers must prepare internal data, systems and processes to successfully use GLNs in supply chain transactions with their customers and business partners ahead of the sunrise date.

Suppliers share some of the same challenges as their customers when operating with this new standard, but they also have some unique challenges as well. Not only must they enumerate themselves with GLNs, they must also integrate their customers’ GLNs into their internal systems and cross-reference these standard identifiers with their existing proprietary account numbers to enable the use of GLNs in e-commerce. Furthermore, suppliers must also reference providers with GLNs in their GPO reporting. Both of these tasks require the supplier to invest time and resources into modifying existing systems and data to ensure the accuracy of transactions.

GHX has partnered with its members to conduct GLN enablement pilots to explore ways to address these challenges. As an open and neutral organization, GHX does not endorse the standards of one particular standards body over another; however, since there is significant market movement toward GS1 standards globally, GHX is supporting the healthcare community as it implements GLNs and Global Trade Item Numbers (GTINs) in supply chain transactions. To date, GHX has completed numerous pilot engagements with healthcare suppliers, providers and distributors to determine best practices and recommend methods for implementing these global standards.
GHX has drawn on all of these experiences to outline within this document the steps that suppliers must take in order to transact successfully with GLNs and fulfill the requirements of their GPO partners. Given the potential complexity involved, GHX has developed new services to help suppliers enable the use of GLNs in both provider transactions and GPO reporting.

This document outlines each of the steps that suppliers must take to perform these functions and provides further clarification regarding what GHX will handle for suppliers who choose to take advantage of its new service offerings. For those suppliers that choose to move forward without GHX’s assistance, the document provides guidance on the steps they must take to make the transition to GLNs on their own.

GLNs in the Transactional Process

E-commerce is not a one-way street – changes made by one party impact all of the parties with which it transacts. As providers enumerate with GLNs and prepare their internal systems to generate purchase orders that contain GLNs for organization and location identification, suppliers must, in turn, prepare their internal data and systems to process these modified transactions and respond with purchase order acknowledgements, invoices and other documentation containing GLNs that can be processed by their customers. This section outlines the steps that suppliers must take to achieve these functions.

Enumerate with GLNs and Register GLNs with Your e-Commerce Provider

Suppliers must first enumerate themselves with GLNs. To do this, a supplier must contact GS1 US to obtain a company prefix if it does not already have one. If a supplier chooses to publish its GLNs to the GLN Registry for Healthcare, the supplier will need to contact GS1 US to obtain more details: gs1us.org/healthcare or 937-435-2870.

In order for a supplier to transact with GLNs through its e-commerce provider, it must register its GLNs with its e-commerce provider prior to any transactions being sent. To do this, the supplier submits a GLN registry form to its e-commerce provider and its provider then adds these GLN values to the supplier’s registered profile.

*How GHX Can Help:*

For suppliers that have completed the enumeration process, GHX will validate the supplier’s information contained within the GHX exchange to ensure that it is correct
and up to date. To do this, GHX sends the supplier an output from its system, providing them with the opportunity to correct any errors.

**Access Customer GLNs**

To facilitate business transactions with providers, suppliers must also access their customers’ GLN numbers for organizational identification, as well as ship-to and bill-to addresses. While some GPOs are enumerating providers with GLNs on their behalf and providing suppliers with access to these GLNs through membership rosters, GHX recommends that suppliers access their customers GLNs through the GS1 U.S. Registry for Healthcare to ensure that they have the most accurate and up-to-date information.

**How GHX Can Help:**

Based on the pilot program findings, GHX highly recommends that suppliers and providers enumerate themselves with the GS1 U.S. Registry for Healthcare since organizations that take control of their own enumeration greatly increase the success of GLN enablement for themselves and all of their trading partners.

**Update ERP Account Tables with GLN Numbers**

Before transacting with GLNs, a supplier must configure its enterprise resource planning (ERP) system to map current system account tables to its customers’ GLNs. Depending upon the system, the version and the way it is configured, a supplier’s ERP system may or may not be capable of storing and operating with GLNs. The best way for a supplier to answer this question is for it to ask its ERP vendor if its system is capable of performing these functions.

**How GHX Can Help:**

In the case that a supplier’s ERP system is incapable of storing and operating with GLNs, GHX can provide data mapping to help enable accurate, electronic transactions.

**Cross-Reference Customer Account Numbers with GLNs**

Most suppliers have internal ERP identifiers and external account numbers and are able to cross reference the two in order to facilitate electronic transactions with providers. A supplier must determine if its ERP system is equipped to cross-reference between its customers’ GLNs and its own internal identifiers. If so, it must then determine what resources are necessary to make this system modification and plan accordingly to meet the 2010 sunrise date.

**How GHX Can Help:**
If a supplier’s ERP system is incapable of performing this cross-reference and/or a supplier chooses not to allocate the necessary time and resources to address this issue, GHX offers services to cross-reference a supplier’s internal data with its customers GLNs and append the customers’ GLNs to the supplier’s customer master data within its ERP system.

**Using GLNs in EDI Transactions**
A supplier must also convert its EDI account data within its existing systems to GLNs prior to transacting electronically. The supplier must determine if its ERP system or mapping tools can generate EDI or xCBL documents that meet the required GLN specifications for e-commerce. If the supplier’s system can only export/import GLNs in its own native formats, the supplier must then determine if these formats meet the required GLN specifications for e-commerce. As noted above, the best way for a supplier to determine its system’s capabilities is for it to contact its ERP vendor.

**How GHX Can Help:**
Under its new service offerings, GHX can accurately cross-reference a supplier’s internal identifiers with its customers’ GLNs during electronic transactions for those suppliers whose ERP systems are incapable of building this type of cross-referencing.

**Reconcile Transaction Process with Trading Partners**
While suppliers should expect to hear from their customers proactively when they are ready to transact with GLNs, all parties have a greater chance of success if suppliers take a proactive approach to GLN implementation. To improve the success of e-commerce transactions with GLNs, a supplier should ask its customers if they are ready to accept return transactions that contain GLNs and determine in which field of the EDI document it should transmit the GLN so that the provider can access and process it.

**How GHX Can Help:**
Through pilot activities, GHX and its customers have learned that it is imperative that all trading partners be actively involved in the GLN enablement process from the very beginning to ensure success across the supply chain continuum.

**GLNs in GPO Reporting**
Currently, many suppliers struggle with accurately calculating administrative fees for GPOs because it is difficult to identify which customers are eligible for which contracts
and which tier. The problem increases when a GPO identifies healthcare facilities and their locations by one set of numbers, the supplier identifies the same facilities and locations by its own set of proprietary account numbers and distribution partners use a third identifier.

GLN implementation can help address this issue since it enables GPOs, suppliers and distribution partners to use the same standard identifiers to reference provider organizations and facilities in their transactions with one another. In order to achieve this, suppliers must complete the following steps:

- **Cleanse customer master data.** Through the GLN enablement pilots, GHX and its members have determined that clean customer data is critical to the success of GLN implementation, particularly for GPO reporting. In many cases, a supplier’s internal systems contain incomplete, inaccurate or unreliable customer master data, including duplicate listings for the same provider organizations, incorrect or outdated addresses and a variety of other discrepancies that make it difficult for the supplier to determine contract and tier eligibility. Before a supplier propagates its internal systems with GLNs for GPO reporting, GHX strongly recommends that it cleanse its data to address duplicates and discrepancies.

- **Cross-reference account numbers to GLNs.** The next step is for the supplier to match its internal account numbers to its customers GLNs. This requires the supplier to establish a relationship between its existing data and its customers’ GLNs by applying rules and policies associated with how the supplier’s ERP system references the GLN data.

- **Append GLNs to customer master data.** Most suppliers are functioning with various systems for manufacturing, sales, marketing and finance, all of which use the supplier’s proprietary account numbers to identify customers. During the GLN enablement pilots, GHX has determined that suppliers are reluctant to replace account numbers with GLNs within their ERP systems for GPO reporting since this change will cause the ERP systems to become out of sync with all of their other internal systems.

One way to address this issue is for the supplier to append its customers’ GLNs to its customer master data within its ERP system according to the relationship established in the cross-referencing activities (in step two above). This enables a supplier to use
GLNs in its GPO reporting, while maintaining internal account numbers for all other functions.

**How GHX Can Help:**

GHX offers a customer master cleanse service that automates these three steps. Through the service, GHX cross-references a manufacturer’s proprietary customer numbers with the GS1 GLN Registry for Healthcare, then appends the GLN to the associated customer master and sends the manufacturer a file containing this modified data. The manufacturer can then upload this file into its ERP system. Through this process, manufacturers can supplement proprietary account numbers with GLNs to improve the accuracy and efficiency of GPO reporting and meet the requirements for the December sunrise date.

**Conclusion**

While healthcare providers are required to take the first steps toward GLN enablement, active involvement by suppliers increases the success for all trading partners exponentially. Furthermore, because GLN implementation impacts various aspects of a supplier’s operations – from internal data management to external transactions with customers and other trading partners – it is in a supplier’s best interest to prepare its data, systems and processes in advance of the GLN sunrise date to ensure a smooth transition and minimize potential business disruptions.

*For more information on how to move to GLNs at your organization, please contact GHX at GLN@ghx.com*