



Educational Paper

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

Part 2 in a GHX Educational Series for the
Healthcare Community

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Education Paper #2: GLN Best Practices

Introduction

The December 2010 sunrise date for the healthcare industry to conduct business transactions with Global Location Numbers (GLNs) in place of proprietary account numbers is fast approaching. As healthcare providers examine their internal processes and systems to determine if they are capable of supporting this new standard, they are quickly learning that it may not be as simple as it first appeared. That said, providers starting the process have the benefit of lessons learned from early-adopter organizations that have piloted the process with GHX and their respective trading partners.

Not only must providers enumerate and prepare their systems to transact with GLNs, they also must closely collaborate with their suppliers to ensure that they, too, are prepared to conduct business with this new standard. Healthcare trading partners do not operate in a void; therefore, changes that are made by one party will impact all of the parties with which they transact. To minimize disruptions to the healthcare supply chain and ensure clinicians have the products they need when and where they need them, healthcare providers must coordinate their efforts with each and every one of their suppliers before they begin transacting with GLNs.

GHX is a strong supporter of healthcare industry standards to drive improved efficiency, consistency and patient safety, but also recognizes the complexity and challenges that healthcare organizations are facing as they migrate to GLNs. GHX and its members recently completed eight successful GLN enablement pilots. GHX has drawn from those experiences to outline within this document the steps that providers must take in order to transact successfully with GLNs on the GHX exchange. It is important that each of these tasks be performed correctly to ensure that orders can be successfully transacted across the exchange and between trading partners. Given the complexity involved, GHX

has developed new services to help providers enable the use of GLNs, including registration of GLNs on the GHX exchange; reconciliation of account numbers to GLNs with trading partners; and trading services to enable transactions between trading partners even when existing systems otherwise restrict use of the standard identifiers. Under these services, GHX can assist trading partners with the necessary steps to use GLNs, with the exception of mapping the account numbers in a provider's enterprise resource planning (ERP) or materials management information system (MMIS) to the new GLN numbers.

This document outlines each of the steps that providers must take to successfully transact with GLNs on the GHX exchange and provides further clarification regarding what GHX will handle for providers that choose to take advantage of the new service offering. For those provider organizations that choose to move forward without GHX's assistance, this document provides guidance on the steps they must take to make the transition to GLNs on their own.

Enumerate with GLNs and Allocate GLNs to Locations

Providers must first properly enumerate themselves with GLNs. Those organizations that are part of a group purchasing organization (GPO) may already be enumerated in the GS1 US GLN Registry for Healthcare®. Therefore, providers should first check with their GPO to determine if they are already enumerated in the registry. Organizations that are not part of a GPO should check with GS1 US to determine their enumeration status: <http://www.gs1us.org> or 937-435-3870.

Even if your organization is already enumerated in the GLN Registry for Healthcare, it is necessary to verify that the enumeration is accurate in the context of the various business purposes for which you will use GLNs, e.g., in transactions, for contract eligibility, etc. While conducting GLN enablement pilots, GHX uncovered numerous instances in which providers were not registered appropriately or to the level required for electronic transactions. Each integrated delivery network (IDN) or standalone hospital is responsible for its own enumeration. Providers must also communicate and broker their enumeration data to their GPOs and other trading partners.

Providers can assign unique GLNs to the appropriate functional, physical and legal locations that they have chosen to enumerate in their organizations. GLNs should generally only be assigned to those locations that will be relevant to external trading partners. Often these are locations that have their own distinct

shipping/ mailing/ delivery addresses to receive products and/or correspondence. In the context of the GLN Registry for Healthcare, these locations are generally tied to a ship-to, deliver-to and/or bill-to address. For more detailed information on the GS1 allocation rules, please visit the GLN Allocation Rules home page at <http://www.gs1.org/glnrules/admin.php/p=overview>.

Register GLNs with your e-Commerce Partner (if applicable)

Providers that work with a trading exchange, such as GHX, or another e-commerce partner will need to register their GLNs with their respective partners in order for the allocated GLNs to be used in transactions. By working together early in the process, providers can help ensure that their exchange/e-commerce partners take the necessary steps to accurately represent provider ship-to locations using GLNs, helping ensure transactions process without errors or the need for manual intervention .

How GHX Can Help:

If a provider works with GHX, it can submit a GLN registry form to GHX and GHX will add the GLN values to the provider's registered profile on the exchange. GHX will validate the provider's information contained within the GHX exchange to ensure that it is correct and up to date. To do this, GHX sends the provider an output from its system, providing them with the opportunity to remove locations that are no longer used in transactions, ensure the correct GLNs are assigned to active locations and correct any errors.

Reconcile Account Numbers to GLNs with Trading Partners

Before transacting with GLNs, it is critical that providers communicate their GLNs, in other words, how they want to be viewed, to their suppliers. Only in this way can they make sure that their GLNs correspond correctly to the suppliers' ship-to numbers.

Based on the experience with the GLN pilots, reconciliation is critical to helping ensure orders do not fail.

How GHX Can Help:

As part of its new GLN readiness service, GHX will reconcile account numbers to GLNs with a provider's trading partners for shipping and billing consistency. Providers that

do not subscribe to the GHX offering will be responsible for ensuring that their data is accurate and complete.

Update MMIS/ERP Accounts with GLN Numbers

Before transacting with GLNs, a provider must configure its materials management information system (MMIS) and/or enterprise resource planning (ERP) system to map current system account numbers to the GLNs. Depending upon the system, version and the way that it is configured, a provider's MMIS or ERP system may or may not be capable of storing and operating with GLNs. The best way for a provider to answer this question is for it to ask its MMIS or ERP vendor if its system is capable of performing these functions.

Using GLNs in EDI Transactions

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

How GHX Can Help:

The new GHX GLN trading service offering includes services to help providers whose systems cannot export/import GLNs in a format that meets the required specifications. Under the service, GHX will serve as a proxy service and convert the provider's current native transcription from the MMIS/ERP system to the correct GLN transaction.

Reconcile Transaction Process with Trading Partners

A provider must communicate and coordinate with each and every one of its suppliers to ensure that they are ready to accept transactions that contain GLNs and that what the provider is sending in the EDI transactions can be processed by the suppliers' ERP systems. This process requires a variety of steps and considerations. For each supplier, the provider must:

- **Notify the supplier that it will be sending transactions with GLNs.** Before a provider can use GLNs in EDI transactions, it must notify each of its suppliers individually that it will be using this new standard and then determine if each supplier is ready to accept GLNs.
- **Determine in what field of the EDI transaction the GLN should be transmitted.** If its suppliers can accept GLNs in electronic transactions, the provider must then work with each of its suppliers to determine in which field of the EDI document the provider must transmit the GLN so that the supplier can access and process it. For example, if the provider plans to send the GLN in the N1DA field of a purchase order, but its supplier can only accept it in the N1ST field, the order may fail.

The provider must also coordinate with each and every one of its suppliers to ensure that the suppliers can send back purchase order acknowledgements, advance ship notices and invoices with the GLNs in a field that the provider itself can access and process.

- **Cross-reference return transactions.** Providers must also cross-reference return transactions from suppliers with which the provider transacts business on the exchange to match the accounts to the new GLNs.

How GHX Can Help:

With its new GLN trading service offering for providers, GHX can streamline this process across all of the suppliers. GHX will communicate and work with a provider's business partners to enable the receipt of transactions that contain GLNs, cross-reference the returned transactions from the suppliers to match the accounts to the new GLNs and update the provider's transaction services with new information as the provider supplies it. In addition, GHX will update transaction services with new information as it is received by providers.

Conclusion

While the transition from proprietary account numbers to GLNs for supply chain transactions holds the potential to benefit all parties involved, it is clear that trading partners must collaborate closely in the coming months to ensure the transition is a

success. If a provider does not effectively perform the steps outlined in this document, its transactions through its trading exchange or other e-commerce partner could become compromised, increasing errors throughout the procure-to-pay process and potentially disrupting the flow of supplies.

For technical specifics on the role that GHX will play in the GLN implementation process and how to use GLNs with the GHX exchange, contact GLN@GHX.com to request a copy of its *Using GLNs with GHX: GHX USA Supplemental Guide to the GS1 US GLN Tool Kit*.

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