



Educational Paper

Moving to Global Location Numbers (GLNs): Considerations for Healthcare Trading Partners: Technologies to Support the Transition for Providers

Part 4 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 #4: Technologies to Support the Transition for Providers

Introduction

There are a variety of steps that providers must take to transact successfully with Global Location Numbers (GLNs), including working with GS1, the standards body that administers the GLNs, possibly with the help of a third party, to obtain these numbers and then communicate this global data standard to trading partners and other necessary parties. But before any business transactions can incorporate this new standard, providers must ensure their information technology systems are capable of storing and using the identifiers.

While the December 31, 2010, sunrise date for GLN adoption has come and gone, many provider and supplier organizations are still in the process of preparing their systems and processes to meet the sunrise requirements. Even organizations leading the way in standards adoption will experience a period of time when some of their trading partners are not as far along in the process. In these cases, interim solutions that enable standard identifiers to be cross-referenced to proprietary numbers that systems can handle will be required.

As GHX collaborates with the healthcare community on pilot programs and other activities related to standards adoption, we have found that most providers will have to make some level of change to their current systems in order to transact with GLNs—from minor adjustments to full system upgrades. Since this will likely require both financial and staffing investments, providers are advised to consider what steps must be taken to prepare for the transition and allocate the necessary resources to make it happen.

This paper presents questions that providers must ask themselves and their technology vendors to determine if their materials management information systems (MMIS) and enterprise resource planning (ERP) systems are capable of transacting with GLNs. Future editions in this educational paper series will cover questions for suppliers to ask their technology vendors, as well as issues that both providers and suppliers must address when transacting with GLNs. The intention is to help trading partners prepare accordingly and minimize disruptions to their supply chain operations.

Section One: Questions to Determine System Capability

A provider must first determine if its current MMIS and/or ERP system is capable of handling the transition to 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 GLNs, operating with them and producing them in an output file suitable for electronic transactions. The best way for a provider to answer this question is for it to ask its MMIS or ERP vendor the following questions:

- **Can the provider associate GLNs with its shipping and billing locations?**

A provider must first determine if there is a field specifically assigned to GLNs within its MMIS or ERP system's user interface (not a user-defined field) where it can enter GLNs and associate them with internal ship-to and bill-to locations. If the provider's MMIS/ERP system cannot support this function, then a configuration or integration event may be required to address the issue.

- **Will these GLNs appear on the provider's purchase orders?**

A provider must then determine if its MMIS or ERP system can populate purchase orders (850) and other outbound documents with the GLNs. If so, it should ask its vendor if it has to make any system adjustments in order for the system to perform this function.

- **Can the provider's MMIS or ERP system generate EDI or xCBL documents that meet the required GLN specifications for e-commerce?**

If a provider has determined that its MMIS or ERP system can generate purchase orders that contain GLNs, it must then determine if its system can output the data in EDI or xCBL documents that meet the necessary specifications. Providers can contact GHX to obtain a copy of the Using GLNs with GHX: GHX USA Supplemental Guide to the GS1 US GLN Tool Kit, which provides detailed information on these specifications.

- **If the provider's MMIS or ERP system cannot generate EDI or xCBL documents that meet the required GLN specifications, can it export GLNs into fields specifically identified as GLN ship-to and bill-to locations within its own native formats?**

Some MMIS or ERP systems can generate purchase orders and other documents in flat files or XML documents. If a provider's system is capable of generating these documents, it must then determine if these native MMIS/ERP documents contain specific fields that are reserved for and identified as containing GLNs for ship-to and bill-to locations. In addition to these GLN-specific fields, it should be determined if there are also fields that remain in the native documents that identify the MMIS/ERP internal ship-to and bill-to locations as well as supplier specific ship-to and bill-to account numbers. Third parties that will translate and map these native documents into documents that meet the required GLN specifications will need this information to properly determine scope and pricing.

Section Two: Possible Scenarios

Once a provider has determined its current system's capabilities, it must then determine what steps must be taken to make the transition from account numbers to GLNs. This section contains three possible scenarios based on the answers to the questions in section one to help guide providers through this effort.

Scenario 1: Current System is Fully Capable

If a provider answers "yes" to questions 1, 2 and 3 in section one of this document, then its current MMIS and/or ERP system is capable of handling the transition to GLNs. It will then have to determine what steps must be taken to configure its system to transact in this manner. The provider's MMIS or ERP vendor can likely provide instructions on how to make the transition.

A provider must then determine what resources are needed to make the necessary system adjustments, whether or not it already has these resources in place or if it will have to budget for them to meet their corporate standards adoption timeline.

If a provider determines that it will make the transition on its own using internal resources, it can refer to the GLN resources from GS1 to assist in this effort, as well as the *Using GLNs with GHX: GHX USA Supplemental Guide to the GS1 US GLN Tool Kit*.

If a provider determines that it does not have the necessary resources to make the transition on its own, it can contact GHX for information on the company's GLN support services.

Scenario 2: Current System is Partially Capable

If a provider answers “yes” to questions 1, 2 and 4, but “no” to question 3 in section one of this document, then its current MMIS and/or ERP system is capable of storing GLNs and outputting them in purchase orders and other outbound documents but not in a format that meets the GHX GLN specifications or the specifications that most suppliers will expect to receive through the GHX exchange. In this scenario, a provider should ask its MMIS or ERP vendor:

- **Will the vendor provide an upgrade that will make the provider's system fully capable?**

If a provider has determined that its system is not fully capable, it can contact its MMIS or ERP vendor to determine if it will provide an upgrade. Some vendors have stated that they will provide upgrades to existing systems to enable their customers to transact with GLNs. The best way for a provider to determine whether it can obtain an upgrade is to inquire with the vendor.

A provider should ask its vendor if there are any costs associated with the upgrade. Depending upon the licensing agreement for its MMIS/ERP system, it may or may not have to pay a fee for appropriate upgrades. For example, some MMIS and ERP vendors provide free upgrades to providers that have purchased maintenance agreements. If there is a fee involved, the provider will need to budget accordingly.

A provider must then determine if it has the technical resources to install the upgrade and manage any subsequent issues.

- **If no upgrade is available, can the provider reconfigure its existing system?**

If a provider's MMIS or ERP vendor does not provide an upgrade or if the provider has a homegrown system in place, it must determine whether it has the technical resources in-house to modify its system.

If the answer is “no” to both questions 1 and 2 above, providers that are integrated to the GHX exchange through the GHX Connect Plus™ integration platform can contact GHX for options to facilitate the transition to GLNs.

Scenario 3: Current System is Incapable

If a provider answers “no” to all four of the questions in section one, then its current MMIS and/or ERP system is incapable of supporting the transition to GLNs. In this scenario, a provider should ask its MMIS or ERP vendor the same questions in scenario two above to determine if its vendor can provide an upgrade, and if not, whether or not the provider has the internal resources to reconfigure its system to transact with GLNs.

If the answer is “no” to both questions, providers can contact GHX to discuss ways in which GHX can supplement their existing MMIS and/or ERP systems to facilitate the transition to GLNs.

Conclusion

GHX supports global data standards within the healthcare industry and we recognize any transition poses a number of challenges to trading partners. This paper presents some of the questions that arise as these partners examine their internal processes and systems to determine if they are equipped to transact with GLNs.

We are collaborating with trading partners on a variety of ways to ease this transition and support the acceleration of standards adoption, including pilot programs, user groups and services for providers and suppliers. Our goal is to continue to serve as a trusted advisor in this effort to build a more efficient and effective supply chain.

For more information on how to facilitate the move to standards, please contact GHX at GLN@ghx.com or visit our Industry Standards page at <http://www.ghx.com/about-ghx/industry-standards.aspx>