

## ABSTRACT

XYZ General Hospital is an A class teaching hospital which is a referral hospital that serves primary healthcare in West Java province. To serve patients, XYZ General Hospital has pharmacy warehouse which provide fifteen depots in particular ward. This research is being carried in Central Operation Theatre (COT) depot that serves central surgery ward. Central surgery ward serve major and minor operation which needs both medicine and medical equipment. To minimize cost, it is necessary to optimize inventory policy of medicines and medical equipment. ABC-VED classification was performed to determine classification of medicines and medical equipment which results are I priority and II priority category.

I priority contains medicines and medical equipment with high level of importance based on its characteristics and investment. The shortage of I priority is not tolerated since it is related to human lives. II priority contains medicines and medical equipment that less important than I priority since it is not necessarily related to human lives and consumes less investment.

Periodic review and joint replenishment were performed to determine R, s, and S and T and Q. Using proposed model, XYZ General Hospital optimize cost up to 77.75% for I priority and 79.09% for II priority.

Keywords: ABC analysis, VED analysis, Hadley-Within, Periodic review (R,s,S), Joint replenishment.