

## **ABSTRACT**

*XYZ Hospital is a Bandung City Government hospital which focuses on mother and child health care. One of the drugs depot that available in XYZ Hospital is Pharmaceutical Depot.*

*Pharmaceutical depot is responsible for the procurement of drugs from supplier and distribute them to another depot in XYZ Hospital. The management of drugs inventory at pharmaceutical depot hasn't been properly as evidenced by stockout conditions in 122 SKUs drug stockout in 2015. This stockout conditions resulted in losing sales.*

*This research aims of providing drug inventory policy proposals that are expected to improve the service level of the XYZ Hospital pharmaceutical depot. Inventory policy proposals is periodic review system that obtained using joint replenishment method. This method is used because of drugs in pharmaceutical depot are supplied by several suppliers, where one supplier can supply more than one drug in one procurement. Before calculating inventory policy, the existing drugs on the pharmaceutical depot is classified based on ABC analysis and classification of VED. This classification resulted in two groups of drugs, namely Priority I and Priority II, which this research focuses only on drugs that are on the Priority I. The results of this research are inventory policy variables which are optimal interval review, reorder point, safety stock, and, maximum inventory level.*

*The result based on calculation, proposed inventory policy increase in service level of 92.93% in the existing conditions to 96.61%. The results of calculations on proposed policy also reduces total cost of the inventory from Rp 23,478,181.41 in existing condotions to Rp 14,064,199.12.*

*Keywords: Inventory Policy, Joint Replenishment, Periodic Review, Stockout*