# *ABSTRACT*

*Unggul Karsa Medika Hospital is a private hospital under the auspices of the Maranatha Christian Higher Education Foundation (YPTKM). The issue that arises in the inpatient pharmacy of Unggul Karsa Medika Hospital is the excessive stock of antibiotics in storage without matching customer demand, leading to overstocking. Ordering of goods at Unggul Karsa Medika Hospital is done whenever there is a shortage of supplies, but the quantity of antibiotics purchased during ordering does not have a standardized amount, resulting in an excess supply of antibiotics.*

*This research focuses on the category of antibiotic drugs, which have a normally distributed demand pattern. The antibiotics in the inpatient pharmacy of Unggul Karsa Medika Hospital are not yet classified, leading to a lack of priority in handling and causing an overspending budget. The demand data is classified using ABC-VED analysis, resulting in three categories: Category I, Category II, and Category III. The items classified as Category I will be calculated using the Continuous Review (s, S) method, while Category II and Category III will be calculated using the Continuous Review (s, Q) method. The calculations using Continuous Review (s, S) and Continuous Review (s, S) methods will provide proposed inventory policy results, which will be further evaluated using sensitivity analysis to understand the impact of changes in variables related to total inventory costs.*

*The total inventory cost calculation using probabilistic continuous review results in a savings of 81%, reducing from Rp 40,741,127.9 to Rp 7,901,758.41 under the proposed conditions. This reduction is due to a decrease in the percentages of the three inventory cost components: holding costs, ordering costs, and shortage costs.*

*Keywords: Continuous Review (s, S), Continuous Review (s, Q), overstock, inventory control.*