

## ABSTRACT

*Hospital XYZ is government owned hospital that established in Bandung since 1912. Hospital is known for its main function to treat patient in needed for medical attention. To make this activity happen, hospital usually needed several factor which manpower and medical goods. Manpower is described as trained person in medical field with each expertise to treat patient, like doctor and nurse.*

*Medical goods is necessary for doctor to treat patient like medicine and other consumable. As public hospital, hospital XYZ first priority is patient treatment and service delivery, which why in larger demand hospital XYZ need to stock medical goods to fulfill all demand that may happen in future.*

*The Pharmacy goods are split into two category.*

*Category one contain goods with high importance level and investment so they are have to be available when demand occur and unavailability can lead to dangerous situation involving human's life.*

*Category two contain goods with high quantity but low importance level and investment.*

*The main objective is how to maintain inventory level so goods with high importance level will be available when needed, but also decide on optimal quantity so the total cost of inventory can be minimum.*

*Based on that objective, this research is dedicated to design an inventory policy which is suitable for those condition using periodic review (R,s,S) and joint replenishment inventory system, and the improvement is 57% inventory cost reduction on category one goods, and 77% inventory cost reduction on category two goods.*