

## **ABSTRACT**

*XYZ Bandung Hospital is a hospital that focuses on health care of mother and child. This hospital has pharmaceutical depot that provides pharmaceutical goods such as medicine. The depot has 216 drugs SKU that still active.*

*XYZ Bandung Hospital has not inventory policy based on standardize calculation yet. It caused stockout that resulted in losing sales and decreasing in service level.*

*This research aims to give advice about the drug inventory policy to improve service level of XYZ Bandung Hospital customers. The demand data is probabilistic so that to determine the policy proposals use probabilistic methods continuous review (s, S) system for first inventory policy proposal and periodic review (R, s, S) system for second inventory policy proposal. For determining the drugs priority is used both ABC analysis and VED analysis that resulted two priority group of drugs. But this research only focuses on first priority category. The results of this research are inventory control variables which are the optimal order quantity, reorder point and safety stock.*

*Based on the calculation, using the first inventory policy proposal can reduce the total inventory up to Rp53.788.338,03 and increase the service level up to 8,52% and using the second inventory policy proposal can reduce the total inventory cost up to Rp43.434.796,92 and increase the service level up to 2,48%*

**Keyword** : *Inventory Policy, Probabilistic, Stockout, Continuous Review (s,S) System, Periodic Review (R,s,S) System*