UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

X	Quarterly Report Under Section 13 or 15 (d) of the Securities Exchange Act of 1934 For the Quarterly Period Ended March 31, 2006
	Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 1-8351

CHEMED CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	31-0791746
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

2600 Chemed Center, 255 E. Fifth Street, Cincinnati, Ohio 45202
(Address of principal executive offices) (Zip code)

(513) 762-6900
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer X Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Amount	Date
Capital Stock $1 Par Value	26,159,533 Shares	March 31, 2006

CHEMED CORPORATION AND
SUBSIDIARY COMPANIES

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

UNAUDITED CONSOLIDATED BALANCE SHEET

(in thousands except share and per share data)

	March 31, 2006	December 31, 2005
ASSETS		
Current assets		
Cash and cash equivalents	$ 45,668	$ 57,133
Accounts receivable less allowances of $9,054 (2005 - $8,413)	71,864	95,063
Inventories	6,724	6,499
Current deferred income taxes	27,753	26,691
Prepaid income taxes	4,867	9,096
Prepaid expenses and other current assets	8,867	9,768
Total current assets	165,743	204,250
Investments of deferred compensation plans held in trust	23,287	21,105
Other investments	1,445	1,445
Note receivable	12,500	12,500
Properties and equipment, at cost, less accumulated depreciation of $70,043 (2005 - $66,655)	65,179	65,449
Identifiable intangible assets less accumulated amortization of $10,717 (2005 - $9,612)	74,254	75,358
Goodwill	433,783	433,756
Other assets	20,406	21,222
Total Assets	$796,597	$835,085
LIABILITIES		
Current liabilities		
Accounts payable	$ 42,342	$ 43,626
Current portion of long-term debt	207	1,045
Income taxes	4,948	3,916
Accrued insurance	39,254	38,894
Accrued compensation	25,443	33,156
Other current liabilities	42,454	48,258
Total current liabilities	154,648	168,895
Deferred income taxes	22,408	22,304
Long-term debt	194,399	234,058
Deferred compensation liabilities	22,647	21,275
Other liabilities	3,989	4,378
Total liabilities	398,091	450,910
STOCKHOLDERS' EQUITY		
Capital stock - authorized 40,000,000 shares $1 par; issued 28,667,433 shares (2005 - 28,373,872 shares)	28,667	28,374
Paid-in capital	244,101	234,910
Retained earnings	181,831	171,188
Treasury stock - 2,507,900 shares (2005 - 2,394,272 shares), at cost	(58,440)	(52,127)
Deferred compensation payable in Company stock	2,401	2,379
Notes receivable for shares sold	(54)	(549)
Total Stockholders' Equity	398,506	384,175
Total Liabilities and Stockholders' Equity	$796,597	$835,085

See accompanying notes to unaudited financial statements.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
(in thousands, except per share data)

	Three Months Ended March 31, 2006	2005
Continuing operations		
Service revenues and sales	$246,238	$218,637
Cost of services provided and goods sold (excluding depreciation)	177,897	152,952
Selling, general and administrative expenses	38,475	37,919
Depreciation	4,148	3,920
Amortization	1,396	1,192
Total costs and expenses	221,916	195,983
Income from operations	24,322	22,654
Interest expense	(5,345)	(5,835)
Loss on extinguishment of debt	(430)	(3,971)
Other income--net	1,495	727
Income before income taxes	20,042	13,575
Income taxes	(7,827)	(5,670)
Income from continuing operations	12,215	7,905
Discontinued operations, net of income taxes	-	211
Net income	$ 12,215	$ 8,116
Earnings Per Share		
Income from continuing operations	$ 0.47	$ 0.31
Net income	$ 0.47	$ 0.32
Average number of shares outstanding	26,044	25,152
Diluted Earnings Per Share		
Income from continuing operations	$ 0.46	$ 0.31
Net income	$ 0.46	$ 0.31
Average number of shares outstanding	26,723	25,910
Cash Dividends Per Share	$ 0.06	$ 0.06

See accompanying notes to unaudited financial statements.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
Cash Flows from Operating Activities		
Net income	$ 12,215	$ 8,116
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	5,544	5,112
Provision for uncollectible accounts receivable	2,033	1,530
Provision for deferred income taxes	(1,242)	(1,892)
Amortization of debt issuance costs	444	522
Write off unamortized debt issuance costs	430	2,871
Noncash long-term incentive compensation	-	948
Discontinued operations	-	(211)
Changes in operating assets and liabilities, excluding amounts acquired in business combinations		
Decrease/(increase) in accounts receivable	21,140	(18,747)
Decrease/(increase) in inventories	(225)	7
Decrease in prepaid expenses and other current assets	901	1,381
Decrease in accounts payable and other current liabilities	(13,207)	(9,808)
Increase in income taxes	8,812	7,484
Increase in other assets	(1,917)	(882)
Increase in other liabilities	1,050	635
Excess tax benefit on share-based compensation	(3,289)	-
Noncash expense of internally financed ESOPs	-	286
Other sources/(uses)	51	(419)
Net cash provided/(used) by continuing operations	32,740	(3,067)
Net cash used by discontinued operations	-	(1,081)
Net cash provided/(used) by operating activities	32,740	(4,148)
Cash Flows from Investing Activities		
Capital expenditures	(3,972)	(6,201)
Net uses from sale of discontinued operations	(1,684)	(817)
Business combinations, net of cash acquired	(384)	(4,401)
Proceeds from sales of property and equipment	65	36
Other uses	(185)	(136)
Net cash used by investing activities	(6,160)	(11,519)
Cash Flows from Financing Activities		
Repayment of long-term debt	(84,497)	(140,680)
Net increase in revolving line of credit	44,000	-
Excess tax benefit on share-based compensation	3,289	-
Issuance of capital stock, net of costs	2,360	4,208
Purchases of treasury stock	(2,318)	(833)
Dividends paid	(1,572)	(1,517)
Increase in cash overdrafts payable	786	8,023
Debt issuance costs	(150)	(1,555)
Proceeds from long-term debt	-	85,000
Other sources	57	130
Net cash provided/(used) by financing activities	(38,045)	(47,224)
Decrease in Cash and Cash Equivalents	(11,465)	(62,891)
Cash and cash equivalents at beginning of year	57,133	71,448
Cash and cash equivalents at end of period	$ 45,668	$ 8,557

See accompanying notes to unaudited financial statements.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
Notes to Unaudited Financial Statements

1. Basis of Presentation

As used herein, the terms "We," "Company" and "Chemed" refer to Chemed Corporation or Chemed Corporation and its consolidated subsidiaries.

We have prepared the accompanying unaudited consolidated financial statements of Chemed in accordance with Rule 10-01 of SEC Regulation S-X. Consequently, we have omitted certain disclosures required under generally accepted accounting principles in the United States for complete financial statements. However, in our opinion, the financial statements presented herein contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly our financial position, results of operations and cash flows. These financial statements are prepared on the same basis as and should be read in conjunction with the Consolidated Financial Statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2005. Certain 2005 amounts have been reclassified to conform with current period presentation in the balance sheet and statement of income primarily related to the presentation of stock-based compensation expense and unearned compensation.

2. Stock-Based Compensation

Effective January 1, 2006, we adopted the provisions of Statement of Financial Accounting Standards No. 123, revised ("SFAS 123(R)") which establishes accounting for stock-based compensation for employees. Under SFAS 123(R), stock-based compensation cost is measured at the grant date, based on the fair value of the award and recognized as expense over the employee's requisite service period. We previously applied Accounting Principles Board Opinion No. 25 and provided the pro-forma disclosures required by Statement of Financial Accounting Standards No. 123. We elected to adopt the modified prospective transition method as provided by SFAS 123(R). Accordingly, we have not restated previously reported financial statement amounts. Other than the reclassifications noted above, there was no material impact on our financial position, results of operations or cash flows as a result of the adoption of SFAS 123(R).

We provide employees the opportunity to acquire our stock through a number of plans, as follows:

- We have eight stock incentive plans under which 7,700,000 shares can be issued to key employees through a grant of stock awards and/or options to purchase shares. The Compensation/Incentive Committee ("CIC") of the Board of Directors administers these plans. All options granted under these plans provide for a purchase price equal to the market value of the stock at the date of grant. The latest plan, covering a total of 1,400,000 shares, was adopted in May 2004. The plans are not qualified, restricted or incentive plans under the U.S. Internal Revenue Code. The terms of each plan differ slightly, however, stock options issued under the plans generally have a maximum term of 10 years. Under one plan, adopted in 1999, up to 500,000 shares may be issued to employees who are not our officers or directors.

- In May 2002, our shareholders approved the adoption of the Executive Long-Term Incentive Plan ("LTIP") covering our officers and key employees. The LTIP is administered by the CIC. During June 2004, the CIC approved guidelines covering the establishment of a pool of 250,000 shares ("2004 LTIP Pool") to be distributed to eligible members of management upon attainment of the following hurdles during the period January 1, 2004 through December 31, 2007:

  - 88,000 shares if our cumulative pro forma adjusted EBITDA (including the results of VITAS beginning January 1, 2004) reaches $365 million within the four-year period.
  - 88,000 shares if our stock price reaches the following hurdles during any 30 trading days out of any 60-trading-day period during the four-year period:

    - 22,000 shares for a stock price of $35.00
    - an additional 33,000 shares for a stock price of $38.75
    - an additional 33,000 shares for a stock price of $42.50.

  - 44,000 shares represent a retention element, subject to a four-year, time-based vesting.

  - 30,000 shares may be awarded at the discretion of the CIC.

  See Note 9 below for disclosure related to awards granted under the LTIP.

- We maintain an Employee Stock Purchase Plan ("ESPP"). The ESPP allows eligible participants to purchase our shares through payroll deductions at current market value. We pay administrative and broker fees associated with the ESPP.

Shares purchased for the ESPP are purchased on the open market and credited directly to participants' accounts. In accordance with the provisions of SFAS 123(R), the ESPP is non-compensatory.

For the three months ended March 31, 2006, we recorded $292,000 in amortization expense in the accompanying statement of income for stock-based compensation expense related to the amortization of restricted stock awards previously granted. There were no capitalized stock-based compensation costs as of March 31, 2006. The pro-forma disclosure as required by SFAS No. 123 for the three months ended March 31, 2005 is as follows:

Net income, as reported	$ 8,116
Add: stock-based compensation expense included in net income as reported, net of income taxes	1,139
Deduct: total stock-based compensation determined under a fair value method, net of income taxes	(2,298)
Pro-forma net income	$ 6,957
Earnings per share:	
As reported	$ 0.32
Pro-forma	$ 0.28
Diluted earnings per share:	
As reported	$ 0.31
Pro-forma	$ 0.27

As of March 31, 2006, approximately $3.7 million of total unrecognized compensation costs related to non-vested stock awards are expected to be recognized over a weighted average period of 3.3 years. Reflected in paid-in-capital on the accompanying consolidated balance sheet is $3.7 million and $3.0 million of unearned compensation related to stock awards granted but not vested as of March 31, 2006 and December 31, 2005, respectively.

The following table summarizes stock option and award activity during the first quarter of 2006:

	Stock Options		Stock Awards	
	Number Of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Grant-Date Price
Stock-based compensation shares:				
Outstanding at January 1, 2006	1,741,833	$ 23.57	142,445	$ 27.10
Granted	-	-	19,000	52.01
Exercised/Vested	(274,561)	21.38	(5,200)	34.42
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at March 31, 2006	1,467,272	$ 23.98	156,245	$ 29.88
Vested at March 31, 2006	1,467,272	$ 23.98		

The weighted average contractual life of outstanding and exercisable options was 6.9 years at March 31, 2006.

The options outstanding at March 31, 2006, were in the following exercise price ranges:

Exercise Price Range	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value
$16.10 to $21.78	1,089,472	$ 19.76	$ 43,124,000
$25.39 to $41.55	377,800	$ 36.17	$ 8,755,000

The total intrinsic value of stock options exercised during the three month periods ended March 31, 2006 and 2005 was $9.4 million and $5.0 million, respectively. The total intrinsic value of stock awards vested during the three month periods ended March 31, 2006 was $288,000. The total cash received from employees as a result of employee stock option exercises for the three month periods ended March 31, 2006 and 2005 was $2.4 million and $4.2 million, respectively. In connection with these exercises, the tax benefits realized for the three months ended March 31, 2006 and 2005 were $3.3 million and $1.8 million, respectively. We settle employee stock options with newly issued shares.

In connection with the adoption of SFAS 123(R), we reassessed our valuation technique and related assumptions. We estimate the fair value of stock options using the Black-Scholes valuation model, consistent with the provisions of SFAS 123(R), the Securities and Exchange Commission (SEC) Staff Accounting Bulletin No. 107 and our prior period pro forma disclosure of net income including stock-based compensation expense. Key input assumptions used to estimate the fair value of stock options under the Black-Scholes model include the grant price of the option, the expected term, volatility of our stock, the risk-free interest rate and our expected dividend yield. We believe using the Black-Scholes model and the related assumptions are appropriate in estimating the fair value of our stock options granted. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by the employees who receive the options. The ultimate value received by an employee for options granted is not necessarily indicative of the reasonableness of the estimate made by us in accordance with SFAS 123(R).

3. Capital Stock Split

On March 11, 2005, our Board of Directors approved a 2-for-1 stock split in the form of a 100% stock dividend to shareholders of record at the close of business on April 22, 2005. This stock split was paid May 11, 2005. Under Delaware law, the par value of the capital stock remains $1 per share. Prior period per share data have been restated to retroactively reflect the impact of the stock split on the average number of shares outstanding.

4. Revenue Recognition

Both the VITAS segment and Roto-Rooter segment recognize service revenues and sales when the earnings process has been completed. Generally, this occurs when services are provided or products are delivered. VITAS recognizes revenue at the estimated realizable amount due from third-party payers. Medicare payments are subject to certain caps, as described further below.

We actively monitor each of our hospice programs, by provider number, as to their specific admission, discharge rate and average length of stay data in an attempt to determine whether they are likely to exceed the annual per-beneficiary Medicare cap ("Medicare Cap"). Should we determine that a provider number is likely to exceed the Medicare Cap based on projected trends, we attempt to institute corrective action to influence the patient mix or to increase patient admissions. However, should we project our corrective action will not prevent that program from exceeding its Medicare Cap, we estimate the amount we would be required to repay at the end of the Medicare Cap year and accrue that amount, which is proportional to the number of months elapsed in the Medicare Cap year, as a reduction to patient revenue.

As of March 31, 2006 and December 31, 2005, we had a $2.4 million accrual recorded in current liabilities in the accompanying balance sheet for the Medicare Cap related to the Phoenix facility for the 2005 measurement period. None of VITAS' hospice programs are currently projected to exceed the Medicare Cap for the 2006 measurement period.

5. Segments

Service revenues and sales and aftertax earnings by business segment are as follows (in thousands):

	Three months ended March 31, 2006	2005
Service Revenues and Sales		
VITAS	$ 168,374	$ 145,990
Roto-Rooter	77,864	72,647
Total	$ 246,238	$ 218,637
Aftertax Earnings		
VITAS	$ 10,857	$ 9,610
Roto-Rooter	7,201	7,310
Total	18,058	16,920
Corporate	(5,843)	(9,015)
Discontinued operations	-	211
Net income	$ 12,215	$ 8,116

Historically, we have allocated stock-based compensation expense to the segment that employs the individual receiving the stock-based compensation. In connection with our adoption of SFAS 123(R), we re-assessed the classification within our business segments of stock-based compensation expense and determined that our chief decision maker analyzes stock-based compensation as a corporate expense. Accordingly, all stock-based compensation expense for 2006 and 2005 has been included as a corporate expense in the chart above.

6. Earnings per Share

Earnings per share are computed using the weighted average number of shares of capital stock outstanding. Earnings and diluted earnings per share for 2006 and 2005 are computed as follows (in thousands, except per share data):

For the Three Months Ended March 31,	Income from Continuing Operations: Income (Numerator)	Shares (Denominator)	Income per Share	Net Income: Income (Numerator)	Shares (Denominator)	Income per Share
2006						
Earnings	$ 12,215	26,044	$ 0.47	$ 12,215	26,044	$ 0.47
Dilutive stock options	-	590		-	590	
Nonvested stock awards	-	89		-	89	
Diluted earnings	$ 12,215	26,723	$ 0.46	$ 12,215	26,723	$ 0.46
2005						
Earnings	$ 7,905	25,152	$ 0.31	$ 8,116	25,152	$ 0.32
Dilutive stock options	-	706		-	706	
Nonvested stock awards	-	52		-	52	
Diluted earnings	$ 7,905	25,910	$ 0.31	$ 8,116	25,910	$ 0.31

7. Other Income -- Net

Other income -- net comprises the following (in thousands):

	Three Months Ended March 31, 2006	2005
Interest income	$ 973	$ 650
Market gains on trading investments of employee benefit trust	493	87
Loss on disposal of property and equipment	(57)	(29)
Other - net	86	19
Total other income	$ 1,495	$ 727

8. Other Current Liabilities

Other current liabilities as of March 31, 2006 and December 31, 2005 consist of the following (in thousands):

	2006	2005
Accrued legal settlements	22,858	23,108
Accrued divestiture expenses	2,573	3,895
Other	17,023	21,255
Total other current liabilities	$ 42,454	$ 48,258

9. 2002 Executive Long-Term Incentive Plan

During the first quarter of 2005, the price of our stock exceeded $35 per share for 30 trading days, fulfilling one of the performance targets set forth in the LTIP. On March 11, 2005, the CIC approved a payout of 25,000 shares of capital stock under the LTIP. The pretax expense of this award for continuing operations, including payroll taxes and benefit costs, was $1.1 million ($695,000 aftertax).

No performance targets under the LTIP were reached in the first quarter of 2006. As such, no payouts were approved or made during the quarter ended March 31, 2006. As of March 31, 2006, no accrual was recorded for awards under the earnings component or the remaining market price component of the LTIP since no awards have been granted.

10. Long-term Debt and Extinguishment of Debt

On March 31, 2006, we repaid in full our $84.4 million term loan with JPMorgan Chase Bank. The term loan was paid with $40.4 million of cash on hand and the remainder with a draw on our revolving credit facility. At that time, we also amended the $175 million revolving credit facility with JPMorgan Chase Bank to reduce the commitment and annual fees and to reduce the floating interest rate by approximately 50 basis points. The interest rate of the amended revolving credit agreement is LIBOR plus 1.25%. The amended revolving credit facility also includes an "accordion" feature that allows us the opportunity to expand the facility by $50 million. In connection with the repayment of the term loan, we recorded a write-off of unamortized debt issuance costs of $430,000.

The following is a schedule by year of required long-term debt payments as of March 31, 2006 (in thousands):

March 2007	$ 207
March 2008	208
March 2009	159
March 2010	44,032
March 2011	150,000
Total long-term debt	$ 194,606

We are in compliance with all debt covenants as of March 31, 2006. We have issued $28.3 million in standby letters of credit as of March 31, 2006 mainly for insurance purposes. Issued letters of credit reduce our available credit under the revolving credit agreement. As of March 31, 2006, the Company has approximately $103 million of unused lines of credit available and eligible to be drawn down under its revolving credit facility, excluding the accordion feature.

11. Loans Receivable from Independent Contractors

The Roto-Rooter segment sublicenses with approximately sixty independent contractors to operate certain plumbing repair and drain cleaning businesses in lesser-populated areas of the United States and Canada. As of March 31, 2006, we had notes receivable from its independent contractors totaling $2.4 million (December 31, 2005-$2.6 million). In most cases these loans are fully or partially secured by equipment owned by the contractor. The interest rates on the loans range from 5% to 8% per annum and the remaining terms of the loans range from two months to 5.4 years at March 31, 2006. During the quarter ended March 31, 2006, we recorded revenues of $5.0 million (2005-$4.6 million) and pretax profits of $2.0 million (2005-$1.7 million) from our independent contractors.

We have adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 46R "Consolidation of Variable Interest Entities--an interpretation of Accounting Research Bulletin No. 51 (revised)" ("FIN 46R") relative to our contractual relationships with the independent contractors. FIN 46R requires the primary beneficiary of a Variable Interest Entity ("VIE") to consolidate the accounts of the VIE. We have evaluated our relationships with our independent contractors based upon guidance provided in FIN 46R and have concluded that some of the contractors who have loans payable to us may be VIE's. We believe consolidation, if required, of the accounts of any VIE's for which we might be the primary beneficiary would not materially impact our financial position, results of operations or cash flows.

12. Pension and Retirement Plans

All of the Company's plans that provide retirement and similar benefits are defined contribution plans. Expenses for the Company's pension and profit-sharing plans, ESOP's, excess benefit plans and other similar plans are $2.4 million and $2.7 million for the three months ended March 31, 2006 and 2005, respectively.

13. Litigation

We are party to a class action lawsuit filed in the Third Judicial Circuit Court of Madison County, Illinois in June of 2000 by Robert Harris, alleging certain Roto-Rooter plumbing was performed by unlicensed employees. We contest these allegations and believe them without merit. Plaintiff moved for certification of a class of customers in 32 states who allegedly paid for plumbing work performed by unlicensed employees. Plaintiff also moved for partial summary judgment on grounds the licensed apprentice plumber who installed his faucet did not work under the direct personal supervision of a licensed master plumber. On June 19, 2002, the trial judge certified an Illinois-only plaintiffs class and granted summary judgment for the named party Plaintiff on the issue of liability, finding violation of the Illinois Plumbing License Act and the Illinois Consumer Fraud Act through Roto-Rooter's representation of the licensed apprentice as a plumber. The court has not ruled on certification of a class in the remaining 31 states. In December 2004, we reached a resolution of this matter with the Plaintiff. This proposed settlement has been preliminarily approved by the court. We expect the parties to request final approval during 2006. We accrued $3.1 million in 2004 as the anticipated cost of settling this litigation.

Like other large California employers, our VITAS subsidiary faces allegations of purported class-wide wage and hour violations. It is party to a class action lawsuit filed in the Superior Court of California, Los Angeles County, in April of 2004 by Ann Marie Costa, Ana Jimenez, Mariea Ruteaya and Gracetta Wilson. This case alleges failure to pay overtime wages for hours worked "off the clock" on administrative tasks, including voicemail retrieval, time entry, travel to and from work, and pager response. This case also alleges VITAS failed to provide meal and break periods to a purported class of California nurses, home health aides and licensed clinical social workers. The case also seeks payment of penalties, interest, and Plaintiffs' attorney fees. VITAS contested these allegations.

Plaintiff moved for class certification, and VITAS opposed this motion. We have reached an agreement with the Plaintiff class in order to avoid the uncertainty of litigation and the diversion of resources and personnel resulting from the litigation. In connection with our acquisition of VITAS in February 2004, we recorded a liability of $2.3 million on VITAS' opening balance sheet for this case. At that time, this represented our best estimate of our exposure in the matter. As a result of the tentative resolution, we recorded a pretax charge of $17.4 million ($10.8 million aftertax) in the fourth quarter of 2005, representing the portion of this settlement not accounted for on Vitas' opening balance sheet. These amounts are inclusive of Plaintiffs' class attorneys' fees and the costs of settlement administration. On April 24, 2006, the court granted preliminary approval of the settlement. The settlement remains subject to final court approval.

In the normal course of business, we are a party to various claims and legal proceedings. We record a reserve for these matters when an adverse outcome is probable and the amount of the potential liability is reasonably estimable.

14. OIG Investigation

On April 7, 2005, we announced the Office of Inspector General ("OIG") for the Department of Health and Human Services served VITAS with civil subpoenas relating to VITAS' alleged failure to appropriately bill Medicare and Medicaid for hospice services. As part of this investigation, the OIG selected medical records for 320 past and current patients from VITAS' three largest programs for review. It also sought policies and procedures dating back to 1998 covering admissions, certifications, recertifications and discharges. During the third quarter of 2005, the OIG requested additional information from us. The U.S. Attorney General has since provided us with a copy of a qui tam complaint filed under seal in U.S. District Court for the Southern District of Florida. The complaint and all filings in the qui tam action remain under seal. We are conferring with the U.S. Attorney regarding our defenses to the complaint allegations. The U.S. Attorney has not decided whether to intervene in the qui tam action. We have incurred pretax expense related to complying with OIG requests of $132,000 for the quarter ended March 31, 2006.

The government continues to investigate the complaint's allegations. We are unable to predict the outcome of this matter or the impact, if any, that the investigation may have on the business, results of operations, liquidity or capital resources. Regardless of outcome, responding to the subpoenas can adversely affect us through defense costs, diversion of our time and related publicity.

15. Related Party Agreement

In October 2004, VITAS entered into a pharmacy services agreement ("Agreement") with Omnicare, Inc. ("OCR") whereby OCR will provide specified pharmacy services for VITAS and its hospice patients in geographical areas served by both VITAS and OCR. The Agreement has an initial term of three years that renews automatically thereafter for one-year terms. Either party may cancel the Agreement at the end of any term by giving written notice at least 90 days prior to the end of said term. Under the agreement, VITAS made purchases of $6.7 million for the first three months of 2006 and has accounts payable to OCR of $2.0 million at March 31, 2006. Mr. E. L. Hutton is non-executive Chairman and a director of the Company and OCR. Mr. Joel F. Gemunder, President and Chief Executive Officer of OCR, Mr. Charles H. Erhart, Jr. and Ms. Sandra Laney are directors of both OCR and the Company. Mr. Kevin J. McNamara, President, Chief Executive Officer and director of the Company, is a director emeritus of OCR. We believe that the terms of the Agreement are no less favorable to VITAS than we could negotiate with an unrelated party.

16. Cash Overdrafts Payable

Included in accounts payable at March 31, 2006 are cash overdrafts payable of $8.8 million (December 31, 2005 - $8.0 million).

17. Recent Accounting Statements

In February 2006, the FASB issued FASB Statement No. 155, "Accounting for Certain Hybrid Financial Instruments", which nullifies and amends various accounting guidance relating to accounting for derivative instruments and securitization transactions. In general, these changes will reduce the operational complexity associated with bifurcating embedded derivatives, and increase the number of beneficial interests in securitization transactions. This statement is effective for all financial instruments acquired or issued after the beginning of our first fiscal year that begins after September 15, 2006. Because we do not have any material derivative instruments or securitization transactions, we believe there will be no material impact on our financial condition, results of operations or cash flows upon adoption.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Executive Summary

We operate through our two wholly owned subsidiaries, VITAS Healthcare Corporation and Roto-Rooter Group, Inc. VITAS focuses on hospice care that helps make terminally ill patients' final days as comfortable as possible. Through its team of doctors, nurses, home health aides, social workers, clergy and volunteers, VITAS provides direct medical services to patients, as well as spiritual and emotional counseling to both patients and their families. Roto-Rooter's services are focused on providing plumbing and drain cleaning services to both residential and commercial customers. Through its network of company-owned branches, independent contractors and franchisees, Roto-Rooter offers plumbing and drain cleaning service to over 90% of the U.S. population.

The following is a summary of the key operating results for the three months ended March 31, 2006 and 2005 (in thousands except per share amounts):

	2006	2005
Consolidated service revenues and sales	$ 246,238	$ 218,637
Consolidated income from continuing operations	$ 12,215	$ 7,905
Diluted EPS from continuing operations	$ 0.46	$ 0.31

The increase in consolidated service revenues and sales was driven by a 15% increase at VITAS and a 7% increase at Roto-Rooter. The increase at VITAS was primarily the result of a 10% increase in average daily census (ADC) from the first quarter of 2005 and the October 1, 2005 Medicare reimbursement rate increase of approximately 3%. The increase at Roto-Rooter was driven primarily by a 2% increase in job count combined with an approximate 5% price increase. Consolidated income from continuing operations and diluted EPS from continuing operations increased as a result of the higher service revenues and sales, which allowed us to further leverage our current cost structure. Consolidated income from continuing operations as a percent of service revenues and sales was 5.0% for the three months ended March 31, 2006 versus 3.6% for the same period of 2005.

Effective January 1, 2006, we adopted the provisions of Statement of Financial Accounting Standards No. 123, revised ("SFAS 123(R)") which establishes accounting for stock-based compensation for employees. Under SFAS 123(R), stock-based compensation cost is measured at the grant date, based on the fair value of the award and recognized as expense over the employee's requisite service period. We previously applied Accounting Principles Board Opinion No. 25 and provided the pro-forma disclosures required by Statement of Financial Accounting Standards No. 123. We elected to adopt the modified prospective transition method as provided by SFAS 123(R). Accordingly, previously reported financial statement amounts have not been restated. We have determined that the Black-Scholes option pricing model to calculate the fair value of our stock options is appropriate in the circumstances. We also used the Black-Scholes model for purposes of the pro-forma disclosures under SFAS 123. There was no material impact on our financial position, results of operations or cash flows as a result of the adoption of SFAS 123(R).

Financial Condition

Liquidity and Capital Resources

Significant changes in the balance sheet accounts from December 31, 2005 to March 31, 2006 include the following:

- The $11.4 million decline in cash and cash equivalents from $57.1 million at December 31, 2005 to $45.7 million at March 31, 2006 is primarily attributable to the use of $40 million in cash to repay our $84.4 million term note. The cash used to reduce total long-term debt was partially offset by cash provided by operations.

- The decrease in accounts receivable from $95.1 million at December 31, 2005 to $71.9 million at March 31, 2006 is due mainly to the timing of payments received from Medicare and reducing the backlog of reimbursements due from Medicare at acquired and new start programs. New start and acquired programs must receive Medicare program certification prior to billing for Medicare eligible services. During 2005, the backlog increased due to multiple new start programs and acquisitions.

- The reduction in long-term debt from $234.1 million at December 31, 2005 to $194.4 million at March 31, 2006 resulted from repayment of our $84.4 million term loan with JPMorgan Chase in March 2006 partially offset by borrowings on our revolving line of credit to fund a portion of the repayment.

Net cash provided by continuing operations increased $36.8 million from a use of cash by continuing operations of $4.1 million for the first three months of 2005 to a source of cash of $32.7 million for the first three months of 2006, due primarily to the decrease in accounts receivable described above and the increase in net income.

We have issued $28.3 million in standby letters of credit as of March 31, 2006 mainly for insurance purposes. Issued letters of credit reduce our available credit under the revolving credit agreement. At March 31, 2006, we had approximately $103 million available lines of credit eligible to be drawn down under our amended credit agreement with JPMorgan Chase, excluding the $50 million accordion feature. Management believes its liquidity and sources of capital are satisfactory for the Company's needs in the foreseeable future.

Commitments and Contingencies

Collectively, the terms of our credit agreements provide that we are required to meet various financial covenants, to be tested quarterly. In connection therewith, we are in compliance with all financial and other debt covenants as of March 31, 2006 and anticipate remaining in compliance throughout 2006.

In connection with the sale of Patient Care in 2002, $5.0 million of the cash purchase price was placed in escrow pending collection of third-party payer receivables on Patient Care's balance sheet at the sale date. To date, $4.2 million has been returned and the remainder is being withheld pending the settlement of certain third-party payer claims. Based on Patient Care's collection history, we believe the significant majority of the disputed amounts will be resolved in Patient Care's favor and most of the withheld escrow will be returned to us. We have a long-term receivable due from Patient Care of $12.5 million. As of March 31, 2006, Patient Care is current on all payments due related to the long-term receivable. We also have current accounts receivable from Patient Care for the post-closing balance sheet valuation and for expenses paid by us after closing on Patient Care's behalf of $4.0 million. We are in litigation with Patient Care over various issues, including the collection of these current amounts. We believe these balances represent valid claims, are fairly stated and are fully collectible; nonetheless, an unfavorable determination by the court could result in the write-off of all or a portion of these balances.

We are party to a class action lawsuit filed in the Third Judicial Circuit Court of Madison County, Illinois in June of 2000 by Robert Harris, alleging certain Roto-Rooter plumbing was performed by unlicensed employees. We contest these allegations and believe them without merit. Plaintiff moved for certification of a class of customers in 32 states who allegedly paid for plumbing work performed by unlicensed employees. Plaintiff also moved for partial summary judgment on grounds the licensed apprentice plumber who installed his faucet did not work under the direct personal supervision of a licensed master plumber. On June 19, 2002, the trial judge certified an Illinois-only plaintiffs class and granted summary judgment for the named party Plaintiff on the issue of liability, finding violation of the Illinois Plumbing License Act and the Illinois Consumer Fraud Act through Roto-Rooter's representation of the licensed apprentice as a plumber. The court has not ruled on certification of a class in the remaining 31 states. In December 2004, we reached a resolution of this matter with the Plaintiff. This proposed settlement has been preliminarily approved by the court. We expect the parties to request final approval during 2006. We accrued $3.1 million in 2004 as the anticipated cost of settling this litigation.

Like other large California employers, our VITAS subsidiary faces allegations of purported class-wide wage and hour violations. It is party to a class action lawsuit filed in the Superior Court of California, Los Angeles County, in April of 2004 by Ann Marie Costa, Ana Jimenez, Mariea Ruteaya and Gracetta Wilson. This case alleges failure to pay overtime wages for hours worked "off the clock" on administrative tasks, including voicemail retrieval, time entry, travel to and from work, and pager response. This case also alleges VITAS failed to provide meal and break periods to a purported class of California nurses, home health aides and licensed clinical social workers. The case also seeks payment of penalties, interest, and Plaintiffs' attorney fees. VITAS contested these allegations.

Plaintiff moved for class certification, and VITAS opposed this motion. We have reached an agreement with the Plaintiff class in order to avoid the uncertainty of litigation and the diversion of resources and personnel resulting from the litigation. In connection with our acquisition of VITAS in February 2004, we recorded a liability of $2.3 million on VITAS' opening balance sheet for this case. At that time, this represented our best estimate of our exposure in the matter. As a result of the tentative resolution, we recorded a pretax charge of $17.4 million ($10.8 million aftertax), representing the portion of this settlement not accounted for on Vitas' opening balance sheet in 2005. These amounts are inclusive of Plaintiffs' class attorneys' fees and the costs of settlement administration. On April 24, 2006, the court granted preliminary approval of the settlement. The settlement remains subject to final court approval.

On April 7, 2005, we announced the Office of Inspector General ("OIG") for the Department of Health and Human Services served VITAS with civil subpoenas relating to VITAS' alleged failure to appropriately bill Medicare and Medicaid for hospice services. As part of this investigation, the OIG selected medical records for 320 past and current patients from VITAS' three largest programs for review. It also sought policies and procedures dating back to 1998 covering admissions, certifications, recertifications and discharges. During the third quarter of 2005, the OIG requested additional information from us. The U.S. Attorney General has since provided us with a copy of a qui tam complaint filed under seal in U.S. District Court for the Southern District of Florida. The complaint and all filings in the qui tam action remain under seal. We are conferring with the U.S. Attorney regarding our defenses to the complaint allegations. The U.S. Attorney has not decided whether to intervene in the qui tam action. We have incurred pretax expense related to complying with OIG requests of $132,000 for the three months ended March 31, 2006.

The government continues to investigate the complaint's allegations. We are unable to predict the outcome of this matter or the impact, if any, that the investigation may have on our business, results of operations, liquidity or capital resources. Regardless of outcome, responding to the subpoenas can adversely affect us through defense costs, diversion of our time and related publicity.

Results of Operations
First Quarter 2006 versus First Quarter 2005-Consolidated Results

Our service revenues and sales for the first quarter of 2006 increased 12.6% versus revenues for the first quarter of 2005. Of this increase, $22.4 million was attributable to VITAS and $5.2 million was attributable to Roto-Rooter (dollar amounts in thousands):

	Increase/(Decrease)	
	Amount	Percent
VITAS		
Routine Homecare	$ 14,586	14.5%
Continuous Care	5,538	22.8%
General Inpatient	2,260	10.8%
Roto-Rooter		
Plumbing	1,157	4.1%
Drain Cleaning	3,253	9.8%
Other	807	7.3%
Total	$ 27,601	12.6%

The increase in VITAS' revenues for the first quarter of 2006 versus the first quarter of 2005 is attributable to increases in ADC of 9.8%, 16.1% and 7.5%, respectively, for routine homecare, continuous care and general inpatient. ADC is a key measure we use to monitor volume growth in our hospice business. Changes in total program admissions and average length of stay for our patients are the main drivers of changes in ADC. The remainder of the revenue increases is due primarily to the annual increase in Medicare reimbursement rates in the fourth quarter of 2005. In excess of 90% of VITAS' revenues for the period were from Medicare and Medicaid.

The increase in the plumbing revenues for the first quarter of 2006 versus 2005 comprises a 1.3% increase in the number of jobs performed and a 2.8% increase in the average price per job. The increase in drain cleaning revenues for the first quarter of 2006 versus 2005 comprised a 2.3% increase in the number of jobs and a 7.5% increase in the average price per job. The increase in other revenues is attributable primarily to increased revenue from the independent contractor operations.

The consolidated gross margin was 27.8% in the first quarter of 2006 as compared with 30.0% in the first quarter of 2005. On a segment basis, VITAS' gross margin was 19.6% in the first quarter of 2006 and 21.1% in the first quarter of 2005. The decrease in VITAS' gross margin in 2006 is primarily attributable to an unusual increase in seasonal discharge rates in January and February 2006 coupled with excess patient care capacity. In the hospice care industry, discharge rates in the first quarter are typically higher than at other times during the year. However, the discharge rate in the first quarter of 2006 was higher and took longer to stabilize than expected. The increase in discharge rates, offset by record admissions, caused ADC to grow at a slower pace than anticipated during the quarter. We determined that the increase in the discharge rate was temporary and therefore, did not modify existing staffing levels, which were expanded in late 2005 to accommodate our growing ADC. The combination of these factors led to a decrease in gross margin in January and February 2006. Discharge rates and gross margin returned to more historic levels in March 2006. Roto-Rooter segment's gross margin was 45.5% in the first quarter of 2006 and 48.1% in the first quarter of 2005. The decrease in Roto-Rooter's gross margin in 2006 is primarily attributable to a benefit realized in the first quarter of 2005 of $1.6 million (pretax) related to prior period casualty insurance claims.

Selling, general and administrative expenses ("SG&A") for the first quarter of 2006 were $38.5 million, an increase of $556,000 (1.5%) versus the first quarter of 2005. The increase is largely due to higher revenues by both segments. The increase is partially offset by lower stock-based compensation costs of $1.1 million related to the first quarter 2005 LTIP payout.

Income from operations increased $1.6 million from $22.7 million in the first quarter of 2005 to $24.3 million in the first quarter of 2006. The increase is attributable primarily to the rate of SG&A growth being considerably lower than the rate of service revenues and sales growth. The decrease in the consolidated gross margin noted above partially offset the increase.

Interest expense, substantially all of which is incurred at Corporate, declined from $5.8 million in the first quarter of 2005 to $5.3 million in the first quarter of 2006. This decline is due primarily to the reduction in debt outstanding that occurred in February 2005 when we refinanced a significant portion of our debt.

Loss on extinguishment of debt decreased from $4.0 million in the first quarter of 2005 to $430,000 in the first quarter of 2006. The 2005 loss on extinguishment relates to the refinancing in February 2005. The loss on extinguishment in 2006 relates to the early repayment of our $84.4 million term loan in March 2006.

Other income-net increased from $727,000 in the first quarter of 2005 to $1.5 million in the first quarter of 2006. The increase is attributable to higher income from market valuation adjustments and realized gains on trading investments of employee benefit trusts in 2006 versus 2005 and higher interest income. The realized gains and market valuation adjustments are offset by expenses in the SG&A category of the statement of income.

Our effective income tax rate decreased from 41.8% in the first quarter of 2005 to 39.1% in the first quarter of 2006. The decrease in our effective tax rate relates mainly to certain state income tax planning strategies implemented in 2005 that reduced the overall effective rate by 1.9%.

Income from continuing operations increased $4.3 million or 54.5% in the first quarter of 2006 as compared to the first quarter of 2005. Net income increased $4.1 million or 50.5% in the first quarter of 2006 as compared to the first quarter of 2005. Income from continuing operations and net income for both periods included the following aftertax special items/adjustments that increased/(reduced) aftertax earnings (in thousands):

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
Loss on extinguishment of debt	$ (273)	$ (2,523)
Legal expenses of OIG investigation	(82)	-
Prior period insurance adjustment	-	1,014
LTIP	-	(695)
Accelerated stock option vesting	-	(137)
	$ (355)	$ (2,341)

First quarter 2006 versus First quarter 2005-Segment Results

The change in aftertax earnings for the first quarter of 2006 versus the first quarter of 2005 is due to (in thousands):

	Net Income Increase/(Decrease)	
	Amount	Percent
VITAS	$ 1,247	13.0%
Roto-Rooter	(109)	-1.5%
Corporate	3,172	35.2%
Discontinued operations	(211)	N.D.
	$ 4,099	50.5%

The decrease in Roto-Rooter net income is due to the $1.0 million insurance adjustment recorded in 2005 for prior period claims experience. No such adjustment was recorded in the first quarter of 2006.

The following chart updates historical unaudited financial and operating data of VITAS, acquired in February 2004 (dollars in thousands, except dollars per patient day):

	First Quarter 2006	First Quarter 2005
OPERATING STATISTICS		
Net revenue		
Homecare	$115,458	$100,872
Inpatient	23,107	20,847
Continuous care	29,809	24,271
Total	$168,374	(a)$145,990
Net revenue as a percent of total		
Homecare	68.6 %	69.1 %
Inpatient	13.7	14.3
Continuous care	17.7	16.6
Total	100.0 %	100.0 %
Average daily census ("ADC") (days)		
Homecare	6,112	5,428
Nursing home	3,366	3,201
Routine homecare	9,478	8,629
Inpatient	432	402
Continuous care	570	492
Total	10,480	9,523
Total Admissions	13,896	12,948
Total Discharges	13,411	12,588
Average length of stay (days)	72.4	66.2
Median length of stay (days)	12.0	11.0
ADC by major diagnosis		
Neurological	33.1 %	31.7 %
Cancer	20.5	21.5
Cardio	14.8	15.3
Respiratory	7.1	7.1
Other	24.5	24.4
Total	100.0 %	100.0 %
Admissions by major diagnosis		
Neurological	20.5 %	19.7 %
Cancer	33.7	34.3
Cardio	13.8	14.0
Respiratory	7.9	8.4
Other	24.1	23.6
Total	100.0 %	100.0 %
Direct patient care margins (b)		
Routine homecare	47.5 %	49.9 %
Inpatient	23.1	22.9
Continuous care	18.3	17.5
Homecare margin drivers (dollars per patient day)		
Labor costs	$ 51.25	$ 45.71
Drug costs	7.43	7.48
Home medical equipment	5.56	5.47
Medical supplies	2.14	2.15
Inpatient margin drivers (dollars per patient day)		
Labor costs	$ 246.67	$ 238.31
Continuous care margin drivers (dollars per patient day)		
Labor costs	$ 454.53	$ 433.18
Bad debt expense as a percent of revenues	0.9 %	0.9 %
Accounts receivable -- days of revenue outstanding	39.4	39.5

(a) VITAS has five large (greater than 450 ADC), 15 medium (greater than 200 but less than 450 ADC) and 20 small (less than 200 ADC) hospice programs. There are no programs that have an estimated Medicare Cap cushion of less than 10% for the 2006 measurement period.

(b) Amounts exclude indirect patient care and administrative costs.

Recent Accounting Statements

In February 2006, the FASB issued FASB Statement No. 155, "Accounting for Certain Hybrid Financial Instruments", which nullifies and amends various accounting guidance relating to accounting for derivative instruments and securitization transactions. In general, these changes will reduce the operational complexity associated with bifurcating embedded derivatives, and increase the number of beneficial interests in securitization transactions. This statement is effective for all financial instruments acquired or issued after the beginning of our first fiscal year that begins after September 15, 2006. Because we do not have any material derivative instruments or securitization transactions, we believe there will be no material impact on our financial condition, results of operations or cash flows upon adoption.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 Regarding Forward-Looking Information

In addition to historical information, this report contains forward-looking statements and performance trends that are based upon assumptions subject to certain known and unknown risks, uncertainties, contingencies and other factors. Variances in any or all of the risks, uncertainties, contingencies, and other factors from our assumptions could cause actual results to differ materially from these forward-looking statements and trends. Our ability to deal with the unknown outcomes of these events, many of which are beyond our control, may affect the reliability of projections and other financial matters.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our primary market risk exposure relates to interest rate risk exposure through variable interest rate borrowings. At March 31, 2006, we had a total of $44 million of variable rate debt outstanding. Should the interest rate on this debt increase 100 basis points, our annual interest expense would increase $440,000. The quoted market value of our 8.75% fixed rate senior notes on March 31, 2006 is $159.8 million (carrying value is $150 million). We estimate that the fair value of the remainder of our long-term debt approximates its book value at March 31, 2006.

Item 4. Controls and Procedures

We carried out an evaluation, under the supervision of our President and Chief Executive Officer and with the participation of the Vice President and Chief Financial Officer and the Vice President and Controller, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the President and Chief Executive Officer, Vice President and Chief Financial Officer and Vice President and Controller have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report. There has been no change in our internal control over financial reporting that occurred during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 6. Exhibits

Exhibit No.	Description
31.1	Certification by Kevin J. McNamara pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act of 1934.
31.2	Certification by David P. Williams pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act of 1934.
31.3	Certification by Arthur V. Tucker, Jr. pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act of 1934.
32.1	Certification by Kevin J. McNamara pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by David P. Williams pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3	Certification by Arthur V. Tucker, Jr. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

			Chemed Corporation (Registrant)
Dated:	May 9, 2006	By:	Kevin J. McNamara Kevin J. McNamara (President and Chief Executive Officer)
Dated:	May 9, 2006	By:	David P. Williams David P. Williams (Vice President and Chief Financial Officer)
Dated:	May 9, 2006	By:	Arthur V. Tucker, Jr. Arthur V. Tucker, Jr. (Vice President and Controller)

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULES 13a-14(a)/15d-14(a) OF THE EXCHANGE ACT OF 1934

I, Kevin J. McNamara, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chemed Corporation ("registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial report to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2006

/s/ Kevin J. McNamara

Kevin J. McNamara
(President and Chief
Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULES 13a-14(a)/15d-14(a) OF THE EXCHANGE ACT OF 1934

I, David P. Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chemed Corporation ("registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial report to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2006

/s/ David P. Williams

David P. Williams
(Vice President and Chief Financial Officer)

CERTIFICATION PURSUANT TO RULES 13a-14(a)/15d-14(a) OF THE EXCHANGE ACT OF 1934

I, Arthur V. Tucker, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chemed Corporation ("registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial report to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles,

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2006

/s/ Arthur V. Tucker, Jr.

Arthur V. Tucker, Jr.
(Vice President and
Controller)

EXHIBIT 32.1

CERTIFICATION BY KEVIN J. MCNAMARA
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as President and Chief Executive Officer of Chemed Corporation ("Company"), does hereby certify that:

1) the Company's Quarterly Report of Form 10-Q for the quarter ending March 31, 2006 ("Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2006

/s/ Kevin J. McNamara

Kevin J. McNamara
(President and Chief
Executive Officer)

EXHIBIT 32.2

CERTIFICATION BY DAVID P. WILLIAMS
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Vice President and Chief Financial Officer of Chemed Corporation ("Company"), does hereby certify that:

1) the Company's Quarterly Report of Form 10-Q for the quarter ending March 31, 2006 ("Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2006

/s/ David P. Williams

David P. Williams
(Vice President and Chief Financial Officer)

EXHIBIT 32.3

CERTIFICATION BY ARTHUR V. TUCKER, JR.
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Vice President and Controller of Chemed Corporation ("Company"), does hereby certify that:

1) the Company's Quarterly Report of Form 10-Q for the quarter ending March 31, 2006 ("Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2006

/s/ Arthur V. Tucker, Jr.
Arthur V. Tucker, Jr.
(Vice President and Controller)