SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For Quarter Ended September 30, 2004

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 an accelerated filer (as defined in Rule 12b-2 of the Act). Yes X No

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	12,468,835 Shares	September 30,2004

CHEMED CORPORATION AND
SUBSIDIARY COMPANIES

INDEX

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)

	SEPTEMBER 30, 2004	DECEMBER 31, 2003
ASSETS		
Current assets		
Cash and cash equivalents	$ 51,261	$ 50,587
Accounts receivable, less allowances of $10,711 (2003-$2,919)	71,476	13,592
Inventories	8,391	8,256
Statutory deposits	7,924	9,358
Prepaid income taxes	10,493	3,625
Current deferred income taxes	24,247	10,056
Prepaid expenses and other current assets	8,354	6,611
Total current assets	182,146	102,085
Investments of deferred compensation plans held in trust	19,302	17,743
Other investments	1,445	25,081
Note receivable	12,500	12,500
Properties and equipment, at cost less accumulated depreciation of $66,684 (2003-$62,646)	58,422	41,004
Identifiable intangible assets less accumulated amortization of $4,279 (2003-$1,704)	75,828	592
Goodwill	407,407	105,335
Other assets	24,754	24,729
Total Assets	$ 781,804	$ 329,069
LIABILITIES		
Current liabilities		
Accounts payable	$ 39,406	$ 7,120
Current portion of long-term debt	5,401	448
Income taxes	401	26
Deferred contract revenue	15,987	14,362
Accrued insurance	23,729	16,013
Other current liabilities	56,368	21,123
Total current liabilities	141,292	59,092
Convertible junior subordinated debentures	-	14,126
Other long-term debt	288,311	25,931
Deferred compensation liabilities	19,306	17,733
Other liabilities	18,000	19,494
Total Liabilities	466,909	136,376
STOCKHOLDERS' EQUITY		
Capital stock-authorized 40,000,000 shares $1 par; issued 13,436,883 shares (2003-13,452,907 shares)	13,437	13,453
Paid-in capital	209,564	170,501
Retained earnings	127,357	119,746
Treasury stock - 968,048 shares (2003-3,508,663 shares), at cost	(32,984)	(109,427)
Unearned compensation	(4,289)	(2,954)
Deferred compensation payable in company stock	2,351	2,308
Notes receivable for shares sold	(541)	(934)
Total Stockholders' Equity	314,895	192,693
Total Liabilities and Stockholders' Equity	$ 781,804	$ 329,069

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 SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003	2004	2003
Service revenues and sales	$211,134	$ 75,172	$551,176	$230,088
Cost of services provided and goods sold (excluding depreciation)	149,409	44,215	382,839	135,978
Selling, general and administrative expenses	38,908	25,607	107,844	76,754
Depreciation	3,002	2,983	11,161	9,025
Long-term incentive compensation	-	-	9,058	-
Total costs and expenses	191,319	72,805	510,902	221,757
Income from operations	19,815	2,367	40,274	8,331
Interest expense	(6,085)	(755)	(15,196)	(2,429)
Loss on extinguishment of debt	-	-	(3,330)	-
Other income - net	398	3,049	2,208	9,766
Income before income taxes	14,128	4,661	23,956	15,668
Income taxes	(3,647)	(1,748)	(8,983)	(5,898)
Equity in income/(loss) of affiliate (VITAS)	131	-	(3,153)	-
Net Income	$ 10,612	$ 2,913	$ 11,820	$ 9,770
Earnings Per Share				
Net income	$ .85	$ .29	$ .99	$ .99
Average number of shares outstanding	12,470	9,941	11,904	9,913
Diluted Earnings Per Share				
Net income	$ .84	$ .29	$ .97	$ .98
Average number of shares outstanding	12,701	9,988	12,136	9,940
Cash Dividends Per Share	$ .12	$ .12	$ .36	$ .36

See accompanying notes to unaudited financial statements.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS)

	NINE MONTHS ENDED SEPTEMBER 30, 2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 11,820	$ 9,770
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,880	9,564
Gains on sales of available-for-sale investments	-	(5,390)
Provision for deferred income taxes	(1,635)	1,403
Provision for uncollectible accounts receivable	4,907	129
Noncash long-term incentive compensation	5,808	-
Changes in operating assets and liabilities, excluding amounts acquired in business combinations		
Decrease/(increase) in accounts receivable	(15,007)	1,204
Decrease/(increase) in inventories	(135)	945
Decrease in statutory deposits	1,434	2,471
Decrease/(increase) in prepaid expenses and other current assets	15,502	(1,077)
Decrease in accounts payable, deferred contract revenue and other current liabilities	(7,150)	(5,449)
Increase in income taxes	9,458	976
Decrease/(increase) in other assets	5,874	(1,253)
Increase in other liabilities	483	2,395
Equity in loss of affiliate	3,153	-
Noncash expense of internally financed ESOPs	1,420	1,305
Other sources/(uses)	164	(18)
Net cash provided by operating activities	51,976	16,975
CASH FLOWS FROM INVESTING ACTIVITIES		
Business combinations, net of cash acquired	(329,294)	(2,229)
Return of merger deposit	10,000	-
Capital expenditures	(13,259)	(8,520)
Net uses from discontinued operations	(1,156)	(1,119)
Proceeds from sales of property and equipment	416	511
Proceeds from sales of available-for-sale investments	-	31,763
Other uses	(59)	(336)
Net cash provided/(used) by investing activities	(333,352)	20,070
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	295,000	-
Issuance of capital stock, net of issuance costs	97,429	1,519
Repayment of long-term debt	(94,941)	(320)
Debt issuance costs	(14,436)	-
Repayment of stock subscriptions note receivable	8,053	-
Redemption of convertible trust preferred securities	(2,736)	-
Dividends paid	(4,210)	(3,568)
Purchases of treasury stock	(2,391)	(274)
Other sources	282	474
Net cash provided/(used) by financing activities	282,050	(2,169)
INCREASE IN CASH AND CASH EQUIVALENTS	674	34,876
Cash and cash equivalents at beginning of year	50,587	37,731
Cash and cash equivalents at end of period	$ 51,261	$ 72,607

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 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 the financial position, results of operations and cash flows of the Company. These financial statements should be read in conjunction with the Consolidated Financial Statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003. Certain 2003 amounts have been reclassified to conform with the current period presentation.

We use Accounting Principles Board Opinion No. 25 ("APB 25"), Accounting for Stock Issued to Employees, to account for stock-based compensation. Since the Company's stock options qualify as fixed options under APB 25 and since the option price equals the market price on the date of grant, there is no compensation expense for stock options. Stock awards are expensed during the period the related services are provided.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair-value-recognition provisions of Financial Accounting Standards Board ("FASB") Statement No. 123, Accounting for Stock-Based Compensation (as amended) (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net Income as reported	$ 10,612	$ 2,913	$ 11,820	$ 9,770
Add: stock-based compensation expense included in net income as reported, net of income tax effects	92	28	3,915	73
Deduct: total stock-based employee compensation determined under a fair-value-based method for all stock options and awards, net of income tax effects	(1,968)	(249)	(6,988)	(708)
Pro Forma net income	$ 8,736	$ 2,692	$ 8,747	$ 9,135
Earning Per Share				
As reported	$ 0.85	$ 0.29	$ 0.99	$ 0.99
Pro forma	$ 0.70	$ 0.27	$ 0.73	$ 0.92
Diluted earning per share				
As reported	$ 0.84	$ 0.29	$ 0.97	$ 0.98
Pro forma	$ 0.69	$ 0.27	$ 0.72	$ 0.92

We calculated the above data using the Black-Scholes option-valuation method to value the Company's options granted in 2004 and prior years.

2. SEGMENTS

Due to the significant impact of our acquisition of VITAS Healthcare Corporation ("VITAS") in February 2004, we re-evaluated the Company's segment reporting of administrative expenses of the Corporate Office headquarters. Previously, we included such expenses in the Plumbing and Drain Cleaning segment because it comprised in excess of 80% of our business. Currently, Roto-Rooter comprises 32% of Chemed's consolidated revenues and sales and 42% of its income from operations. Accordingly, we now report corporate administrative expenses and unallocated investing and financing income and expense not directly related to any one segment as "Corporate." Corporate administrative expenses include the stewardship, Sarbanes-Oxley compliance related, accounting and reporting, legal, tax and other costs of operating a publicly-held corporation. Corporate investing and financing income and expenses include the costs and income associated with corporate debt and investment arrangements.

The Company's segments now comprise VITAS (palliative medical care and related services to terminally ill patients through state- licensed and federally-certified hospice programs), Roto-Rooter (sewer and drain cleaning and plumbing repair and maintenance services to residential and commercial accounts) and Service America (heating, ventilating and air conditioning ("HVAC") repair, maintenance and replacement services to residential customers through service contracts and retail sales). Prior period data have been reclassified to maintain comparability.

Service revenues and sales and aftertax earnings by business segment follow (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Service Revenues and Sales				
VITAS (a)	$ 135,101	$ -	$ 316,453	$ -
Roto-Rooter	66,785	63,342	204,907	192,659
Service America	9,248	11,830	29,816	37,429
Total	$ 211,134	$ 75,172	$ 551,176	$ 230,088
Aftertax Earnings				
VITAS (a)	$ 8,975	$ -	$ 19,479	$ -
Roto-Rooter	6,067 (b,c)	2,788	15,454 (b,d)	11,101
Service America	(124)	64	(5) (e)	167
Total segment earnings	14,918	2,852	34,928	11,268
Corporate	(4,437)(f,g)	61 (h,i)	(19,955)(f,j)	(1,498)(i,k)
Equity in income/(loss) of affiliate (VITAS)(l)	131	-	(3,153)	-
Net Income (m)	$ 10,612	$ 2,913	$ 11,820	$ 9,770

(a) Amounts include consolidated operations of VITAS beginning on February 24, 2004, the date the Company acquired the controlling interest in VITAS. Adjustments to revise the VITAS purchase price allocation and related depreciation and amortization expense increased VITAS' aftertax earnings by $315,000 for the three months ended September 30, 2004.

(b) Adjustments of income taxes related to the finalization of prior-year returns increased Roto-Rooter's aftertax earnings by $630,000 for the three months ended September 30, 2004.

(c) A cumulative adjustment of the effective state and local income tax rate increased Roto-Rooter's aftertax earnings by $217,000 for the three and nine-month periods ended September 30, 2004.

(d) Amount includes $982,000 aftertax cost of payout under the Company's Executive Long-Term Incentive Plan ('LTIP") for the nine months ended September 30, 2004.

(e) Amount includes $170,000 aftertax cost of payout under the LTIP for the nine months ended September 30, 2004.

(f) Adjustments of income taxes related to the finalization of prior-year returns reduced the Corporate aftertax loss by $390,000 for the three- and nine-month periods ended September 30, 2004.

(g) A cumulative adjustment of the effective state and local income tax rate reduced the Corporate aftertax loss by $881,000 for the three months ended September 30, 2004.

(h) Amounts include an aftertax capital gain of $1,200,000 from the redemption of the Company's investment in VITAS preferred stock in the third quarter of 2003.

(i) Amounts for the three- and nine-month periods ended September 30, include aftertax dividend income from VITAS preferred stock of $328,000 and $1,585,000, respectively.

(j) Amount includes $4,455,000 aftertax cost of the LTIP and $2,030,000 aftertax loss on extinguishment of debt.

(k) Amount includes aftertax severance charges of $2,358,000 and $3,351,000 aftertax gain on the redemption of VITAS preferred stock and the sales of investments in the first nine months of September 30, 2003.

(l) Amount for 2004 represents the Company's 37% equity in the loss of VITAS through February 23, 2004, including adjustments to the equity interest occurring later in 2004. During the period January 1, 2004 through February 23, 2004, VITAS incurred the following aftertax expenses related to the sale of its business to the Company (in thousands):

Accrual for potential severance costs under key employee employment agreements	$ 10,975
Legal and valuation costs	6,665
Loss on write off of VITAS' deferred debt costs	2,698
Other	592
Total	$ 20,930

These charges reduced the Company's equity in VITAS by approximately $4,621 during the first quarter of 2004. Subsequent adjustment to the estimated severance accrual in the second and third quarters of 2004 increased the Company's equity earnings in VITAS by $821 and $131, respectively.

(m) Adjustments and special items discussed in notes (a) through (k) increased/(reduced) aftertax earnings by the following amounts (in thousands):

Three months ended September 30, 2004	$ 2,433
Three months ended September 30, 2003	1,528
Nine months ended September 30, 2004	(6,617)
Nine months ended September 30, 2003	2,578

3. DILUTED EARNINGS PER SHARE

Earnings per common share are computed using the weighted average number of shares of capital stock outstanding. Diluted earnings per share for 2004 and 2003 are computed as follows (in thousands, except per share data):

	Income (Numerator)	Shares (Denominator)	Income Per Share
For the Three Months Ended September 30, 2004			
Net income	$ 10,612	12,470	$ 0.85
Dilutive stock options	-	224	
Nonvested stock awards	-	7	
Diluted income	$ 10,612	$ 12,701	$ 0.84
2003 (a)			
Net income	$ 2,913	$ 9,941	$ 0.29
Dilutive stock options	-	47	
Diluted income	$ 2,913	$ 9,988	$ 0.29
For the Nine Months Ended September 30, 2004 (a)			
Net income	$ 11,820	11,904	$ 0.99
Dilutive stock options	-	229	
Nonvested stock awards	-	3	
Diluted income	$ 11,820	$ 12,136	$ 0.97
2003 (a)			
Net income	$ 9,770	$ 9,913	$ 0.99
Dilutive stock options	-	27	
Diluted income	$ 9,770	$ 9,940	$ 0.98

(a) The impact of the convertible junior subordinated debentures has been excluded from these computations because it is antidilutive to earnings per share.

Due to the Company's level of earnings for the third quarter of 2003 and for the first nine months of 2004 and 2003, the Convertible Junior Subordinated Debentures were anti-dilutive in those periods, and, therefore, were excluded from the computation of diluted earnings per share.

4. OTHER INCOME-NET

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2004	2003	2004	2003
Interest income	$ 549	$ 647	$ 1,661	$ 2,166
Market valuation gain/(loss) trading securities	(89)	282	696	847
Gain/(loss) on disposal of properties and equipment	(67)	(30)	(213)	(229)
Dividend income	-	317	-	1,540
Gain/(loss) on disposal of investments	-	1,846	-	5,390
All other	5	(13)	64	52
Total	$ 398	$ 3,049	$ 2,208	$ 9,766

5. COMPREHENSIVE INCOME

We had total comprehensive income of $1,696,000 and $6,085,000, respectively, for the three-month and nine-month periods ended September 30, 2003. The difference between our net income and our comprehensive income in 2003 relates to the cumulative unrealized appreciation/depreciation on available-for-sale investments. For the 2004 periods, our total comprehensive income equals our net income.

6. BUSINESS COMBINATIONS

On February 24, 2004, we completed the acquisition of the 63% of VITAS Healthcare Corporation ("VITAS") common stock we did not previously own for cash consideration of $323.4 million ("Acquisition"). The total investment in VITAS, including $3.2 million of estimated expenses and the Company's $18.4 million prior investment in VITAS, was $360.6 million.

The revised allocation of the purchase price to VITAS' assets and liabilities is (in thousands):

Cash and cash equivalents	$ 24,377
Other current assets	96,210
Property and equipment	15,691
VITAS trade name	48,200
Referral network	22,200
Noncompetition agreement	7,410
Goodwill	296,101
Other assets	11,127
Current liabilities(including severance of $15,062)	(97,287)
Long-term debt	(59,571)
Other liabilities	(3,874)
Subtotal	360,584
Less: investment in VITAS on February 23, 2004	(18,381)
Total purchase price	342,203
Plus: subsequent payments of acquisition related accruals	5,584
Less: cash and cash equivalents acquired	(24,377)
Net cash outlay	$323,410

We began including the consolidated VITAS results of operations in the Company's financial statements as of February 24, 2004.

We recorded the Acquisition using the purchase method of accounting using revised estimates of the fair values of VITAS' assets and liabilities as of the date of the Acquisition. With the assistance of a professional valuation firm we adjusted our estimates of the fair values of VITAS' assets and liabilities. We expect to further revise VITAS' valuation during the fourth quarter of 2004, but do not expect material adjustments to be made to values that have been recorded to date.

Adjustments to the purchase price of VITAS, recorded during the third quarter of 2004, are (in thousands):

	Revised Value	Prior Value	Increased/ (Decrease)
Property and equipment	$ 15,691	$ 22,332	$ (6,641)
VITAS trade name	48,200	--	48,200
Referral network	22,200	--	22,200
Noncompetition agreement	7,410	18,000	(10,590)
Consulting agreement	--	7,000	(7,000)
Goodwill	296,101	342,794	(46,693)
Other assets/(liabilities)	(66,192)	(67,251)	1,059
Total purchase price	$323,410	$322,875	$ 535

The referral network and noncompetition agreement have a combined weighted average life of 9.1 years. The referral network is being amortized on an accelerated basis that results in writing off 79% of the asset value during the first 58% of its life. The noncompetition agreement is being amortized on a straight line basis which reflects the basis on which the benefit is estimated to occur. The VITAS trade name and Goodwill are assumed to have indefinite lives, and will be reviewed at least annually for impairment.

As a result of the changes in appraised values and estimated lives of VITAS' identifiable intangible assets and property and equipment, the Company recognized net reduction of depreciation and amortization expense of $526,000 during the third quarter of 2004 ($315,000 aftertax), relating to adjustments of prior quarters depreciation and amortization expense.

VITAS is the nation's largest provider of hospice services for patients with severe, life-limiting illnesses. This type of care is aimed at making the terminally ill patient's final days as comfortable and pain free as possible. VITAS provides a comprehensive range of hospice services through 32 operating programs covering many of the large population areas in the U.S. including Florida, California, Texas and Illinois. VITAS has over 6,800 employees, including approximately 3,000 nurses and 1,800 home health aides. To fund the Acquisition and retire VITAS' and the Company's long- term debt, we completed the following transactions ("Financing") on February 24, 2004:

- We borrowed $75.0 million under a new $135 million revolving credit/term loan agreement at an initial weighted average interest rate of 4.46%. Principal payments of $1.25 million are due quarterly under the term loan beginning June 2004. The credit agreement matures in February 2009.

- We sold 2 million shares of the Company's capital stock in a private placement at a price of $50 per share, before expenses.

- We issued $110 million principal amount of floating rate senior secured notes due February 2010 at an initial interest rate of 4.88%.

- We issued $150 million principal amount of 8.75% fixed rate senior notes due February 2011.

- We incurred estimated financing and transaction fees and expenses of approximately $17.6 million.

The unaudited pro forma operating data of the Company for the three months ended September 30, 2004 and 2003 and for the nine months ended September 30, 2004 and 2003, giving effect to the Acquisition and Financing as if they had occurred on January 1, 2003 follow (in thousands, except per share amounts):

	For the Three Months Ended September 30, 2004	For the Three Months Ended September 30, 2003	For the Nine Months Ended September 30, 2004	For the Nine Months Ended September 30, 2003
Service revenues and sales	$ 211,134	$ 188,700	$ 624,046	$ 550,043
Cost of services provided and goods sold (excluding depreciation)	149,409	132,587	441,687	387,953
Selling, general and administrative expenses	38,597	40,536	116,634	118,895 (a)
Depreciation	3,839	3,617	11,641	11,350
Long-term incentive compensation	-	-	9,058 (b)	-
Total costs and expenses	191,845	176,740	579,020	518,198
Income from operations	19,289	11,960	45,026	31,845
Interest expense	(6,085)	(6,560)	(18,598)	(19,287)
Loss on extinguishment of debt	-	-	(3,330) (c)	(3,330) (c)
Other income-net	398	1,000	2,249	6,647 (d)
Income before income taxes	13,602	6,400	25,347	15,875
Income taxes	(3,436)(e)	(2,902)	(9,594)(f)	(7,573)
Net income/(loss)(g)	$ 10,166	$ 3,498	$ 15,753	$ 8,302
Earnings Per Share (g)				
Net income	$ 0.82	$ 0.29	$ 1.26	$ 0.70
Average shares outstanding	12,470	11,941	12,453	11,913
Diluted Earnings Per Share (g)				
Net income	$ 0.80	$ 0.29	$ 1.24	$ 0.70
Average shares outstanding	12,701	11,988	12,685	11,940

(a) Amount includes severance charges of $3,627,000 ($2,358,000 aftertax).

(b) Amount represents the cost of the payout under the Company's Executive Long-Term Incentive Plan for 2004. The aftertax impact of this charge was $5,607,000.

(c) The aftertax cost of the debt extinguishment, incurred in connection with financing the acquisition of VITAS, as $2,030,000 in 2004 and $2,164,000 in 2003.

(d) The amount for the nine-month period includes $3,544,000 total pretax capital gains ($2,151,000 aftertax) from the sales of investments in 2003.

(e) Adjustments of income taxes related to the finalization of prior-year returns increased net income by $1,020,000 for the three months ended September 30, 2004. A cumulative adjustment of the effective state and local income tax rate increased net income by $1,098,000 for the three months ended September 30, 2004.

(f) Adjustments of income taxes related to the finalization of prior-year returns increased net income by $1,020,000 for the nine months ended September 30, 2004.

(g) Adjustments and special items discussed in notes (a) through (f) increased/(reduced) net income by the following amounts (in thousands, except per share data):

Three months ended September 30, 2004	$ 2,118	($.17 per share)
Nine months ended September 30, 2004	(6,617)	($.54 per share and $.52 per diluted share)
Nine months ended September 30, 2003	(2,371)	($.20 per share and $.19 per diluted share)

We acquired the 63% of VITAS we did not previously own to enhance our minority investment in VITAS, the nation's largest provider of hospice services. We believe the investment will be financially advantageous to our shareholders because the hospice market is fragmented and VITAS has the infrastructure to capitalize on the growing hospice services market.

During the first nine months of 2004, we completed three business combinations within the VITAS and Roto-Rooter segments for an aggregate purchase price of $5.9 million in cash. The VITAS business acquired provides hospice services in the Atlanta area and the two Roto-Rooter businesses acquired provide drain cleaning and plumbing services under the Roto-Rooter name in Harrisburg, PA and Spokane WA. The results of operations of these businesses are not material to the Company's results of operations.

On a preliminary basis, we allocated the aggregate purchase price of these businesses as follows (in thousands):

Goodwill	$ 5,918
Other	(34)
Total	$ 5,884

7. 2002 EXECUTIVE LONG-TERM INCENTIVE PLAN

During January 2004, the price of the Company's stock exceeded $50 per share for more than 10 consecutive trading days, fulfilling one of the performance targets of the 2002 Executive Long-Term Incentive Plan ("LTIP"). In February the Compensation/Incentive Committee of the Board of Directors ("CIC")approved a payout under the LTIP in the aggregate amount of $7.8 million ($2.8 million in cash and 84,633 shares of capital stock). The pretax expense of this award, including payroll taxes and benefit costs, was $9,058,000 ($5,607,000 aftertax).

During June, the CIC approved guidelines covering the establishment of a pool of 125,000 capital shares ("2004 LTIP Pool") to be distributed to eligible members of management upon attainment of the following during the period January 1, 2004 through December 31, 2007:

- 44,000 shares will be awarded if Chemed's cumulative pro forma adjusted EBITDA (including the results of VITAS beginning on January 1, 2004) reaches $365 million within the four year period.

- 44,000 shares will be awarded if Chemed's stock price reaches the following during any 30 trading days out of any 60- trading day period during the four-year period:

  - 11,000 shares for a stock price of $70.00
  - an additional 16,500 shares for a stock price of $77.50
  - an additional 16,500 shares for a stock price of $85.00.

- 22,000 shares represent a retention element, subject to a four-year, time based vesting.

- 15,000 shares may be awarded at the discretion of the CIC.

On June 22, 2004, the CIC awarded 22,000 restricted shares of stock to key employees of management under the retention component of the 2004 LTIP Pool. These shares vest on December 31, 2007 for all participants still employed by the Company. The cost of these awards, based on the fair value of the stock on June 22, 2004, ($1,071,000) is being amortized on a straight line basis over the 42- month period ending December 31, 2007.

As of September 30, 2004, no accrual for awards under the remaining components of the 2004 LTIP Pool was made since it is not probable that any of the awards will be earned and paid.

8. PREPAID INCOME TAXES

Prepaid income taxes at September 30, 2004 totals $10,493,000, and includes the estimated benefit on the tax loss incurred by VITAS prior to its merger with the Company.

9. OTHER CURRENT LIABILITIES

Other current liabilities include the following (in thousands):

	September 30, 2004	December 31, 2003
Accrued salaries and wages	$ 23,190	$ 1,945
Accrued severance	8,476	1,462
Accrued incentive compensation	3,800	4,140
Accrued savings and retirement	3,533	3,338
Other	17,369	10,238
Total	$ 56,368	$ 21,123

The increase in accrued salaries and wages is due to the acquisition of VITAS in 2004. Accrued severance includes $ 7,192,000 for potential costs under employment contracts for fifteen employees of VITAS. Under the contracts these key employees have the right, during the two-year period following the Company's acquisition of VITAS, to terminate their employment and receive up to two years' compensation as severance pay. As of September 30, 2004, six employees exercised their rights under the employment contracts and are entitled to estimated payouts aggregating $4,736,000, of which $3,789,000 has been paid as of September 30, 2004.

We have offered the remaining key employees replacement employment contracts ("REC"). Under the REC's the key employees will receive stock awards and stock options and may not be terminated without cause, but will forego the unilateral right to voluntarily terminate their employment and receive severance pay. As of September 30, 2004, eight VITAS employees, who previously held employment contracts with VITAS, signed REC's and received restricted stock awards covering 27,547 shares of Chemed capital stock ($1,211,000). These awards vest during the seven-year periods ending in 2011 at the annual rates of 5%, 5%, 10%, 10%, 20%, 25% and 25%, respectively. Expense is recognized in proportion to the shares vesting during each annual period.

At the present time it is not possible to estimate how many additional VITAS employees will elect to receive payments under their current employment contracts.

10. 2003 SEVERANCE CHARGES

In March 2003, the Company and a corporate officer reached agreement providing for termination of the officer's employment in exchange for payment under her employment contract. The payments comprise a $1,000,000 lump sum payment made in March 2003 and monthly payments of $52,788 beginning March 2003 and ending May 2007. The present value of these payments ($3,627,000) is included in selling, general and administrative expenses.

11. CONVERTIBLE JUNIOR SUBORDINATED DEBENTURES

We adopted the provisions of FASB Interpretation No. 46R ("FIN 46R"), Consolidation of Variable Interest Entities-an interpretation of Accounting Research Bulletin No. 51 (revised), effective January 1, 2004. Under FIN 46R, the Company is not the primary beneficiary of the Chemed Capital Trust ("CCT") and is not permitted to consolidate the accounts of the CCT. As a result, we deconsolidated the Mandatorily Redeemable Preferred Securities of the Chemed Capital Trust

("Preferred Securities") and replaced them in the Company's consolidated balance sheet with the Convertible Junior Subordinated Debentures ("CJSD"), which are the sole assets of the CCT. The CJSD were scheduled to mature March 15, 2030 and bore interest at the rate of $2.00 per annum per $27.00 principal amount, the same rate as distributions on the Preferred Securities. Distributions on the Preferred Securities have been reclassified as interest expense in the consolidated statement of income. Other than the change in account captions, this change in accounting has no impact on the Company's financial statements.

On April 7, 2004, we announced the calling of all Preferred Securities outstanding as of May 18, 2004, at face value ($27.00 per security) plus accrued dividends ($.35 per security). As a result, during the second quarter of 2004, 417,256 Preferred Securities were converted into 304,597 shares of capital stock and 101,282 Preferred Securities were redeemed for $2,735,000 in cash. At September 30, 2004 there are no CJSD's or Preferred Securities outstanding.

12. OTHER LONG-TERM DEBT

In conjunction with the VITAS acquisition the Company retired its senior notes due 2005 through 2009 and canceled its revolving credit agreement with Bank One, N.A. ("Bank One"). To fund the Acquisition, the Company issued two million shares of capital stock in a private placement and borrowed $335 million as follows:

- $75 million drawn down under a $135 million secured revolving credit/term loan facility ("New Credit Facility") with Bank One. The facility comprises a $35 million term loan ("TL") and $100 million revolving credit facility ("RCF"), including up to $40 million in letters of credit. For the TL, principal payments of $1,250,000 plus interest (LIBOR plus 3.25%) are due quarterly beginning in June 2004. For the RCF, interest payments (LIBOR plus 3.00%) are due at the end of the interest period (30, 60, 90 or 180 days as selected by the Company). The current rate of interest on the TL is 5.00% per annum. Payment of unpaid principal and interest is due February 2009. At September 30, 2004, $5 million of the TL is included in current liabilities.

- $110 million from the issuance of privately placed floating rate senior secured notes ("Floating Rate Notes") due 2010. Interest payments (LIBOR plus 3.75%) are due quarterly beginning in May 2004 and payment of unpaid principal and interest is due February 2010. The current rate of interest on the Floating Rate Notes is 5.46% per annum.

- $150 million from the issuance of privately placed 8.75% senior notes ("Original Fixed Rate Notes") due 2011. Semi-annual interest payments are due beginning in August 2004 and payment of unpaid principal and interest is due February 2011.

In the second quarter of 2004, we filed a registration statement covering up to $150 million principal amount of new 8.75% senior notes due 2011 ("New Fixed Rate Notes"). Except for the lack of transfer restrictions, the terms of the New Fixed Rate Notes are substantially identical to those of the Original Fixed Rate Notes. Pursuant to the Company's exchange offer, all holders of the Original Fixed Rate Notes exchanged their notes for like principal amounts of the New Fixed Rate Notes.

At September 30, 2004, long-term debt comprises the following (in thousands):

New Credit Facility	
Term Loan	$ 32,500
Floating Rate Notes	110,000
New Fixed Rate Notes	150,000
Other	1,212
Subtotal	293,712
Less: current portion	(5,401)
Long-term debt	$ 288,311

At September 30, 2004, the Company has drawn down $27.9 million of letters of credit ("LOC") under the New Credit Facility. At September 30, 2004, the Company has $72.1 million of unused lines of credit under the New Credit Facility. Fees for the New Credit Facility comprise an annual fee of $100,000 plus .5% per annum (paid quarterly) for the unused portion of the RCF

Bank One anticipates creating a borrowing syndicate to support the New Credit Facility later in 2004. Should credit conditions change, Bank One, after consultation with us, may change the terms of the New Credit Facility, including the rates of interest payable and the required leverage and other financial ratios.

Collectively, the New Credit Facility, the Floating Rate Notes and the New Fixed Rate Notes provide for significant affirmative and restrictive covenants including, without limitation, requirements or restrictions (subject to exceptions) related to the following:

- use of proceeds of loans,
- restricted payments, including payments of dividends and retirement of stock (permitting $.48 per share dividends so long as the aggregate amount of dividends in any fiscal year does not exceed $7.0 million and providing for additional principal prepayments on the TL to the extent dividends exceed $5.0 million in any fiscal year), with exceptions for existing employee benefit plans and stock incentive plans,
- mergers and dissolutions,
- sales of assets,
- investments and acquisitions, liens, transactions with affiliates, hedging and other financial contracts,
- restrictions on subsidiaries,
- contingent obligations, operating leases,
- guarantors,
- collateral,
- sale and leaseback transactions,
- prepayments of indebtedness, and
- maximum annual capital expenditures of $20 million subject to one-year carry-forwards on amounts not used during the previous year.

In addition, the credit agreements provide that the Company will be required to meet the following financial covenants, to be tested quarterly, beginning with the quarter ending June 30, 2004:

- a minimum net worth requirement, which requires a net worth of at least (i) $232 million plus (ii) 50% of consolidated net income (if positive) beginning with the quarter ending June 30, 2004, plus (iii) the net cash proceeds from issuance of the Company's capital stock or capital stock of the Company's subsidiaries;

- a maximum leverage ratio, calculated quarterly, based upon the ratio of consolidated funded debt to consolidated EBITDA, which will require maintenance of a ratio of 5.5 to 1.00 through December 31, 2004, a ratio of 4.75 to 1.00 from January 1 through December 31, 2005, and 4.25 to 1.00 thereafter;

- a maximum senior leverage ratio, calculated quarterly, based upon the ratio of senior consolidated funded debt to consolidated EBITDA (which ratio excludes indebtedness in respect of the Fixed Rate Notes), which will require maintenance of a ratio of 3.375 to 1.00 through December 31, 2004, a ratio of 2.875 to 1.00 from January 1 through December 31, 2005, and 2.625 to 1.00 thereafter; and

- a minimum fixed charge coverage ratio, based upon the ratio of consolidated EBITDA minus capital expenditures to consolidated interest expense plus consolidated current maturities (including capitalized lease obligations) plus cash dividends paid on equity securities plus expenses for taxes, which will require maintenance of a ratio of 1.15 to 1.00 through December 31, 2004, a ratio of 1.375 to 1.00 from January 1 through December 31, 2005, and 1.50 to 1.00 thereafter.

Our calculations and projections indicate that we are in compliance with all financial and debt covenants as of September 30, 2004.

All of the borrowings under the New Credit Facility and the Floating Rate Notes are guaranteed by the assets of and secured by the securities of substantially all of the Company's subsidiaries.

Pursuant to the terms of the Floating Rate Notes, we filed a preliminary registration statement registering the Floating Rate Notes within 90 days of February 24, 2004. We are also required to file an effective registration statement within 180 days of February 24, 2004. We have not yet filed an effective registration statement for the Floating Rate Notes and have begun incurring a .25% per annum interest penalty on the Floating Rate Notes starting August 20, 2004. This penalty increases .25% per annum for each additional 90-day period the Floating Rate Notes remain unregistered, up to a maximum of 1% per annum.

13. LOANS RECEIVABLE FROM INDEPENDENT CONTRACTORS

The Plumbing and Drain Cleaning segment sublicenses with independent contractors to operate certain plumbing repair and drain cleaning businesses in lesser-populated areas of the United States and Canada. At September 30, 2004, the Company had notes receivable from its independent contractors totaling $3,095,000 (December 31, 2003-$2,599,000). 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 one month to 6 years at September 30, 2004. During the quarter ended September 30, 2004, we recorded revenues of $3,819,000 (2003-$3,449,000) and pretax profits of $1,495,000 (2003-$1,290,000) from our independent contractors. During the nine months ended September 30, 2004, we recorded revenues of $11,842,000 (2003-$10,270,000) and pretax profits of $4,032,000 (2003-$3,595,000) from our independent contractors.

Effective January 1, 2004, we adopted the provisions of FIN 46R relative to the Company's contractual relationships with its 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 many of the contractors who have loans payable to us may be VIE's. Due to the limited financial data available from these independent entities we have not been able to perform the required analysis to determine which, if any, of these relationships are VIE's or the primary beneficiary of these potential VIE relationships. We are continuing to request appropriate information to enable us to evaluate this potential VIE relationship. We believe consolidation, if required, of the accounts of any VIE's for which the Company might be the primary beneficiary would not materially impact the Company's financial position or results of operations.

14. 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 comprise the following (in thousands):

For the three months ended September 30, 2004	$ 1,744
For the three months ended September 30, 2003	1,382
For the nine months ended September 30, 2004	6,587
For the nine months ended September 30, 2003	4,344

15. LITIGATION

The Company is 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. The Company contests these allegations and believes them without merit. Plaintiff moved for a certification of a class of customers in 32 states who allegedly paid for plumbing work performed by unlicensed employees. Plaintiff also moved for a partial summary judgment on grounds the licensed apprentice plumber who installed his faucet did not work under the direct personal supervision of a licensed 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 yet ruled on certification of a class in the remaining 31 states. Due to complex legal and other issues involved, it is not presently possible to estimate the amount of liability, if any, related to this matter. Regardless of outcome, such litigation can adversely affect the Company through defense costs, diversion of management's time, and related publicity.

On April 5, 2002, Michael Linn, an attorney, filed a class action complaint against the Company in the Court of Common Pleas, Cuyahoga County, Ohio. He alleged Roto-Rooter Services Company's miscellaneous parts charge, ranging from $4.95 to $12.95 per job, violates the Ohio Consumer Sales Practices Act. The Company contends that this charge, which is included within the estimate approved by its customers, is a fully disclosed component of its pricing. On February 25, 2003, the trial court certified a class of customers who paid the charge from October 1999 to July 2002. The Company appealed this order and on May 20, 2004 the Eighth District Court of Appeals of Ohio overturned the certification of this class action. Mr. Linn sought review of the decertification by the Ohio Supreme Court. In October 2004, the Ohio Supreme Court declined jurisdiction of the Plaintiffs' appeal of the Court of Appeals decision.

The District Attorney of Suffolk County, New York brought legal proceedings in September 2004 against Roto-Rooter Services Company, an indirect subsidiary of the Company, arising out of the disposal of restaurant grease trap waste, originating in adjacent Nassau County, in Suffolk County disposal sites. This matter was resolved without a material effect on the Company's financial condition.

16. 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.

Mr. E. L. Hutton is non-executive Chairman and a director of the Company and OCR. Nonetheless, we believe that the terms of the Agreement are no less favorable to VITAS than we could negotiate with an unrelated party.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

The changes in most of the balance sheet accounts from December 31, 2003 to September 30, 2004 are due primarily to the acquisition of VITAS in February 2004. Explanations for other changes in the balance sheet since December 31, 2003 include:

- The increase in prepaid income taxes from $3.6 million at December 31, 2003 to $10.5 million at September 30, 2004 is attributable to the tax benefits recorded by VITAS on transaction costs of the merger and to tax benefit on the Company's losses recorded in the first quarter of 2004.

- The decline in other investments from $25.1 million at December 31, 2003 to $1.4 million at September 30, 2004, is attributable to reclassifying our investment in VITAS from an equity-method investment to an investment in a consolidated subsidiary, which is now eliminated in consolidation.

- The current portion of long-term debt increased from $448,000 at December 31, 2003 to $5.4 million at September 30, 2004 due to the Company's borrowing under the term loan provisions of its New Credit Facility, under which principal payments of $1.25 million are payable quarterly.

- The convertible junior subordinated debentures decreased from $14.1 million at December 31, 2003 to nil at September 30, 2004, due to our calling these securities in April 2004. As a result, $11.3 million of the debentures were converted into 304,597 shares of capital stock and $2.7 million were redeemed for cash.

- Other long-term debt increased from $25.9 million at December 31, 2003 to $288.3 million at September 30, 2004 due to the Company's borrowing under the New Credit Facility ($27.5 million), the Floating Rate Notes ($110.0 million) and the Fixed Rate Notes ($150.0 million). Proceeds from these loans were used to finance the purchase of VITAS, retire VITAS' debt ($67.0 million including current portion) and retire the Company's senior debt due 2005 to 2009 ($28.3 million including a prepayment penalty of $3.3 million).

- From December 31, 2003 to September 30, 2004, paid in capital increased $39.1 million and treasury stock declined $76.4 million largely due to the issuance of 2 million shares of capital stock from treasury at $50 per share to finance the purchase of VITAS.

Net cash provided by operating activities increased from $17.0 million for the first nine months of 2003 to $52.0 million for the first nine months of 2004, due to (in millions):

Operating cash generated by VITAS, acquired in February 2004	$ 37.1
Increase in operating cash used at the corporate level, primarily due to higher interest costs on debt used to finance the VITAS acquisition	(5.0)
Other	2.9
Total	$ 35.0

VITAS' operating cash was favorably impacted by paying significantly less income taxes than has been provided in the income statement ($13.6 million). This is attributable to the tax deduction for VITAS' stock options exercised immediately prior to VITAS' merger with Chemed. As a result VITAS had a $14.8 million balance in prepaid income taxes on the date the merger was completed. On a consolidated basis, we expect to receive a refund of these prepaid taxes in the fourth quarter of 2004.

The $15.0 million increase in accounts receivable (excluding amounts acquired in business combinations) since December 31, 2003 is primarily due to the timing of VITAS' receipt of prospective cash payments from Medicare as of September 30, 2004 and to higher level of revenues in August and September 2004 versus the two months of 2004 preceding the acquisition of VITAS.

At September 30, 2004, we had approximately $72.1 million available borrowing capacity under our revolving credit agreement with Bank One. 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 the credit agreements provide that the Company is required to meet various financial covenants, to be tested quarterly, beginning with the quarter ending June 30, 2004. In connection therewith, we are in compliance with all financial and other debt covenants as of September 30, 2004.

Under the New Credit Facility we are limited to investing a maximum of $3 million on acquisitions of businesses during the term of the agreement. For the period beginning February 24, 2004 and ending September 30, 2004, we spent in excess of that limit, having received a waiver of this covenant prior to exceeding the limit. Should we desire to complete additional acquisitions, we will again request a waiver of this covenant from the lender. There can be no assurance that it would grant such waiver.

At September 30, 2004, we have current accounts receivable from Patient Care ("PC"), a former subsidiary, aggregating $2,630,000. This amount comprises $1,251,000 for the estimated post-closing balance sheet adjustment due us based on delivery of sufficient net worth and $1,379,000 for reimbursement for expenses we have paid on behalf of PC. In addition, we have an investment in a common stock warrant of PC ($1,445,000) and a long-term note receivable due in 2007 ($12.5 million). PC is current on its interest payments on the long-term note, but is in arrears with respect to accounts receivable balances. During the second quarter of 2004, we filed suit for collection of the balances due from PC and in July, PC filed a counterclaim and third-party complaint alleging violation of certain non-compete provisions of Chemed's Stock Purchase Agreement with PC related to Chemed's acquisition of VITAS. We believe PC's counterclaim is without merit. PC's business has been adversely impacted by a difficult Medicaid reimbursement climate. As of February, 2004, PC has reduced its bank debt and was in compliance with its debt covenants.

Should PC's business deteriorate significantly during the remainder of 2004, we may be required to record an impairment loss on our investments in or receivables due from PC. At the present time we believe the balances are fully collectible.

RESULTS OF OPERATIONS
THIRD QUARTER 2004 VERSUS THIRD QUARTER 2003-CONSOLIDATED RESULTS

The Company's service revenues and sales for the third quarter of 2004 increased 181% versus revenues for the third quarter of 2003. This $136.0 million increase was attributable to the following (dollar amounts in thousands):

	Increase/(Decrease)	
	Amount	Percent
VITAS	$135,101	n.a.%
Plumbing and Drain Cleaning		
Drain cleaning	1,443	5.8
Plumbing	1,369	5.4
Other	630	4.8
Service America		
Service contracts	(1,783)	(19.7)
Demand services	(798)	(28.5)
Total	$135,962	180.9%

VITAS' revenues for the third quarter of 2004 included revenues from the following sources (in thousands):

Routine home care	$ 94,265
Continuous home care	22,474
General inpatient care	18,126
Respite and custodial care	236
Total	$135,101

Approximately 96% of VITAS' revenues for the period was from Medicare and Medicaid.

The increase in the drain cleaning revenues for the third quarter of 2004 versus 2003 comprises a .4% increase in the number of jobs performed and a 5.4% increase in the average price per job. The increase in plumbing revenues for the third quarter of 2004 versus 2003 comprised a 3.8% increase in the number of jobs and a 1.6% increase in the average price per job. On a same-store basis the number of drain cleaning and plumbing jobs in 2004 increased .4% and 4.6%, respectively, versus 2003. The increase in other revenues for the third quarter of 2004 versus 2003 is attributable primarily to increases in independent contractor operations and other services.

The decline in Service America's service contract revenues is attributable to selling insufficient new service contracts to replace contracts canceled or not renewed. The number of contracts in place during 2004 was 17% lower than 2003. As revenues from demand services are largely dependent upon service contract customers, the decline in service contracts in place was largely responsible for the decline in demand services in 2004.

The consolidated gross margin was 29.2% in the third quarter of 2004 as compared with 41.2% in the third quarter of 2003, largely due to the acquisition of VITAS in 2004. On a segment basis, VITAS' gross margin was 21.8%. The Roto-Rooter segment's gross margin increased 1.6% points to 45.4%, largely due to lower training wages as a percentage of revenues, in the third quarter of 2004 versus 2003. Service America's gross margin declined 5.7% points to 21.3%, due largely to higher labor and related costs as a percent of revenues and higher materials costs as a percent of revenues. These increases are due to a declining contract base and significantly lower retail sales in the third quarter of 2004.

Selling, general and administrative expenses ("SG&A") for the third quarter of 2004 were $38,908,000, an increase of $13,301,000 (51.9%) versus the third quarter of 2003. The increase is attributable to the following (in thousands):

	Increase/ (Decrease)
VITAS SG&A (acquired in 2004)	$ 14,214
Reduction in Roto-Rooter SG&A, due to lower advertising costs in 2004, and an overall reduction in administrative expenses in 2004	(1,403)
Higher SG&A at the Corporate Office due primarily to consulting fees incurred in connection with complying with the internal controls provisions of the Sarbanes-Oxley Act of 2002 ("SOX")	1,112
Reduction in Service America SG&A due primarily to a reduction in staff resulting from fewer service contracts	(627)
Other	5
Total	$ 13,301

Income from operations increased $17,448,000 from $2,367,000 in the third quarter of 2003 to $19,815,000 in the third quarter of 2004. The increase comprises (in thousands):

	Increase/ (Decrease)
Income from operations of VITAS (acquired in 2004)	$ 14,721
Higher gross profit of Roto-Rooter segment due primarily to increase in service revenues and gross profit	2,592
All other	135
Total	$ 17,448

Interest expense, substantially all of which is incurred at Corporate, increased from $755,000 in the third quarter of 2003 to $6,085,000 in the 2004 quarter. This increase is due to higher debt levels in 2004 as the result of borrowing $335 million to fund the acquisition of VITAS in February 2004.

Other income declined $2,651,000 in the third quarter of 2004 versus the third quarter of 2003. The decline is attributable to (in thousands):

	Increase/ (Decrease)
Gain on redemption of VITAS preferred stock in the third quarter of 2003	$ (1,846)
Losses on market valuation adjustments to assets held in employee benefit trusts, versus gains in 2003	(371)
Lack of income from VITAS preferred stock in 2004 (redeemed August 2003)	(371)
All other	(63)
Total	$ (2,651)

The above decline in market adjustments for assets held in employee benefit trusts in the 2003 quarter is entirely offset by lower expenses in the SG&A category of the statement of income.

Our effective income tax rate declined from 37.5% in the third quarter of 2003 to 25.8% in the third quarter of 2004. The lower rate in 2004 is attributable to favorable tax adjustments resulting from the finalization of prior years' returns in the third quarter of 2004 ($1,020,000) and to a cumulative reduction in the effective state and local income tax rate resulting from the implementation of multi-state tax planning strategies in the third quarter ($1,098,000 aftertax). The effective rate in 2003 benefitted from the domestic dividend exclusion (1.9% points) and a lower effective state and local tax rate (1.5% points).

Equity in the loss of VITAS for 2004 represents the Company's 37% share of VITAS' loss for the period from January 1, 2004 through February 23, 2004, prior to our acquiring a controlling interest in VITAS. During the third quarter of 2004, VITAS' liability for pre-acquisition transaction expenses was reduced based on changed circumstances. Of the total adjustment, 63% was recorded as a reduction of goodwill and 37% (net of deferred income taxes) was recorded as an adjustment of our equity in the earnings of VITAS ($131,000).

Net income for the third quarter of 2004 was $10,612,000 ($.85 per share and $.84 per diluted share) as compared with $2,913,000 ($.29 per share) in 2003. Net income for both periods included the following aftertax special items/adjustments that increased/(reduced) net income (in thousands, except per share data):

	For the Three Months Ended September 30,	
	2004	2003
Adjustments to revise VITAS purchase price allocation and the related depreciation and amortization	$ 315	$ --
Tax adjustments resulting from the finalization of prior-year income tax returns in the third quarter of 2004	1,020	--
Tax adjustments from the cumulative reduction of estimated state and local income tax rates	1,098	--
Adjustment to equity in the earnings of VITAS (prior to consolidation)	131	--
Gain on the redemption of VITAS preferred stock in August 2003	--	1,200
Income from VITAS preferred stock in 2003	--	328
Total impact on net income	$ 2,564	$ 1,528
Impact on earnings per share	$ .20	$ .15
Impact on diluted earnings per share	$ .21	$ .15

THIRD QUARTER 2004 VERSUS THIRD QUARTER 2003-SEGMENT RESULTS

The change in aftertax earnings for the third quarter of 2004 versus the third quarter of 2003 is due to (in thousands):

	Increase/ (Decrease)
Earnings of VITAS, acquired in 2004	$ 8,975
Higher earnings of the Roto-Rooter segment in 2004	3,279
Lower earnings/(loss) of the Service America segment in 2004	(188)
Higher aftertax corporate costs in 2004	(4,498)
Favorable adjustment to the equity earnings of VITAS in 2004	131
Increase in net income in 2004	$ 7,699

The higher aftertax earnings of Roto-Rooter in the third quarter of 2004 are attributable to higher gross profit and lower SG&A expense in 2004 and to favorable tax adjustments which increased Roto-Rooter's net income by $847,000 in the third quarter of 2004.

Higher aftertax corporate expenses in 2004 are attributable to (in thousands):

	Increase/ (Decrease)
Higher aftertax interest expense in 2004 due to debt incurred to acquire VITAS	$ 3,441
Gain on the redemption of VITAS preferred stock in the 2003 third quarter	1,200
Favorable tax adjustments in 2004 resulting from the cumulative adjustment of the effective state and local income tax rates in the third quarter of 2004	(881)
Favorable tax adjustments in 2004 resulting from the finalization of prior-years' income tax returns in the third quarter	(390)
Lack of income from VITAS preferred stock in 2004	328
Higher aftertax administrative costs in 2004 due largely to professional fees incurred in connection with Sarbanes-Oxley compliance efforts and higher insurance costs in 2004	726
All other	74
Increase in corporate costs in 2004	$ 4,498

For the third quarter of 2004, the second full quarter of operations under Chemed ownership, VITAS' service revenues and operating profit increased 19% and 50%, respectively, versus results for the third quarter of 2003. Driving these increases was a 17% increase in average daily census ("ADC") of patients from 7,643 in the third quarter of 2003 to 8,949 patients in the third quarter of 2004.

FIRST NINE MONTHS OF 2004 VERSUS
FIRST NINE MONTHS OF 2003-CONSOLIDATED RESULTS

The Company's service revenues and sales for the first nine months of 2004 increased 140% versus revenues for the first nine months of 2003. This $321.1 million increase was attributable to the following (dollar amounts in thousands):

	Increase/(Decrease) Amount	Percent
VITAS	$ 316,453	n.a.%
Plumbing and Drain Cleaning		
Drain cleaning	4,705	6.0
Plumbing	4,343	5.8
Other	3,200	8.2
Service America		
Service contracts	(4,789)	(17.1)
Demand services	(2,824)	(29.9)
Total	$ 321,088	139.6%

VITAS' revenues for 2004 (since the date of acquisition) included revenues from the following sources (in thousands):

Routine home care	$217,628
Continuous home care	54,270
General inpatient care	44,081
Respite and custodial care	474
Total	$316,453

Approximately 96% of VITAS' revenues for the period came from Medicare and Medicaid.

The increase in drain cleaning revenues for the first nine months of 2004 versus 2003 was due to a .1% increase in the number of jobs and to a 5.9% increase in the average price per job. The increase in plumbing revenues for the first nine months of 2004 versus 2003 comprised a 4.2% increase in the number of jobs and a 1.5% increase in the average price per job. On a same-store basis, the number of drain cleaning jobs in 2004 declined .3% and the number of plumbing jobs increased 4.5% versus 2003. The increase in other revenues for the first nine months of 2004 versus 2003 is attributable primarily to increases in independent contractor operations and product sales.

The decline in Service America's service contract revenues is attributable to selling insufficient new service contracts to replace contracts canceled or not renewed. The number of contracts in place during 2004 was 17% lower than 2003. The decline in service contracts in place during 2004 was largely responsible for the decline in demand services in 2004.

The consolidated gross margin was 30.5% in the first nine months of 2004 as compared with 40.9% in the first nine months of 2003, largely due to the acquisition of VITAS in 2004. On a segment basis, VITAS' gross profit margin was 21.6%. Roto-Rooter's gross profit margin increased 1.0% point to 44.8%, largely due to lower training wages as a percentage of revenues in the 2004 period. Service America's gross profit margin increased 1.2% points to 26.9% due to reduced material costs as a percent of revenues. The lower material costs, as a percent of revenues, is due primarily to improved inventory and cost control in Service America's warehouse and service trucks.

SG&A for the first nine months of 2004 was $107,844,000, an increase of $31,090,000 (40.5%) versus the first nine months of 2003. The increase is attributable to the following (in thousands):

	Increase/ (Decrease)
VITAS SG&A (acquired in 2004)	$ 32,935
Severance costs for a corporate officer in 2003	(3,627)
Higher aftertax administrative costs in 2004 due largely to professional fees incurred in connection with Sarbanes-Oxley compliance efforts and higher insurance costs	2,476
Reduction in Service America SG&A due primarily to a reduction in staff resulting from fewer service contracts	(996)
All other	302
Total	$ 31,090

Depreciation expense for the first nine months of 2004 increased $2,136,000 (23.7%) from $9,025,000 in the first nine months of 2003 to $11,161,000 in the 2004 period. This increase arises from the following (in thousands):

	Increase/ (Decrease)
VITAS depreciation (acquired in 2004)	$ 3,078
Lower depreciation for Service America due largely to lower asset values in 2004 as a result of writing down assets in the fourth quarter of 2003	(466)
Lower depreciation for the Roto-Rooter segment due to lower depreciation on service vehicles due to recent declines in capital outlays	(399)
Corporate	(77)
Total	$ 2,136

Income from operations increased $31,943,000 from $8,331,000 in the first nine months of 2003 to $40,274,000 in the first nine months of 2004. The increase comprises (in thousands):

	Increase/ (Decrease)
Income from operations of VITAS (acquired in 2004)	$ 32,469
Cost of LTIP in 2004	(9,058)
Higher gross profit of Roto-Rooter segment due primarily to increase in service revenues	7,351
Severance charges for corporate officer in 2003	3,627
Lower gross profit of Service America segment due primarily to decline in revenues	(1,607)
All other	(839)
Total	$ 31,943

Interest expense, substantially all of which is incurred at Corporate, increased from $2,429,000 in the first nine months of 2003 to $15,196,000 in the 2004 period. This increase is due to higher debt levels in 2004 to fund the acquisition of VITAS.

Other income declined $7,558,000 in the first nine months of 2004 versus the first nine months of 2003. The decline is attributable to (in thousands):

	Increase/ (Decrease)
Gains on the redemption and sales of available-for-sale investments in 2003	$ (5,390)
Lack of income from VITAS preferred stock in 2004 (redeemed August 2003)	(1,794)
All other	(374)
Total	$ (7,558)

Our effective income tax rate was 37.6% in the first nine months of 2003 and 37.5% in the first nine months of 2004. The tax rate in 2004 was favorably impacted by tax adjustments resulting from the finalization of prior years returns in the third quarter of 2004 ($1,020,000). The effective rate in 2003 benefitted from the domestic dividend exclusion (2.8% points).

Equity in the loss of VITAS for 2004 represents the Company's 37% share of VITAS' loss for the period from January 1, 2004 through February 23, 2004, prior to our acquiring a controlling interest in VITAS. During the 2004 period VITAS incurred aftertax expenses aggregating $16,641,000 related to the sale of its business to the Company. The Company's aftertax share of these charges was $3,669,000.

Net income for the first nine months of 2004 was $11,820,000 ($.99 per share and $.97 per diluted share) as compared with $9,770,000 ($.99 per share and $.98 per diluted share) in 2003. Net income for both periods included the following aftertax special items/adjustments that increased/(reduced) net income (in thousands, except per share data):

	For the Nine Months Ended September 30, 2004	2003
Expense for payouts under the LTIP in the first quarter of 2004	$(5,607)	$ --
Loss on extinguishment of debt in the first quarter of 2004	(2,030)	
Tax adjustments resulting from the finalization of prior-year income tax returns in the third quarter of 2004	1,020	--
Equity in the loss of VITAS (prior to consolidation)	(3,153)	
Gain on the redemption and sales of available-for-sale investments in 2003	--	3,351
Severance costs for a corporate officer in 2003	--	(2,358)
Income from VITAS preferred stock in 2003	--	1,585
Total impact on net income	$(9,770)	$ 2,578
Impact on earnings per share	$ (.82)	$ .26
Impact on diluted earnings per share	$ (.81)	$ .26

FIRST NINE MONTHS OF 2004 VERSUS
FIRST NINE MONTHS OF 2003-SEGMENT RESULTS

The increase in aftertax earnings for the first nine months of 2004 versus the first nine months of 2003 is due to (in thousands):

	Increase/ (Decrease)
Earnings of VITAS, acquired in 2004	$ 19,479
Higher Corporate costs in 2004	(18,457)
Higher earnings of the Roto-Rooter segment in 2004	4,353
Equity in VITAS' loss (attributable to costs incurred by VITAS in connection with the sale of VITAS to Chemed)	(3,153)
Lower earnings of the Service America segment in 2004	(172)
Increase in net income in 2004	$ 2,050

Higher aftertax corporate expenses in 2004 are attributable to (in thousands):

	Increase/ (Decrease)
Higher aftertax interest expense in 2004 due to debt incurred to acquire VITAS	$ 8,282
Aftertax cost of the LTIP in 2004 (corporate office employees)	4,455
Capital gains on the sales of available-for-sale investments in 2003	3,351
Aftertax cost of corporate severance in 2003	(2,358)
Loss on extinguishment of debt in 2004	2,030
Increases in other administrative costs in 2004 due largely to professional fees incurred in connection with Sarbanes-Oxley compliance efforts and higher insurance costs	1,609
Lack of income from VITAS preferred stock in 2004	1,585
Favorable tax adjustments in 2004 resulting from the finalization of prior-years income tax returns in the third quarter	(390)
All other	(107)
Increase in corporate costs in 2004	$ 18,457

The higher aftertax earnings of Roto-Rooter in the first nine months of 2004 are attributable to higher service revenues and gross profit, partially offset by Roto-Rooter's share of the LTIP costs ($982,000 aftertax).

The following data update previously provided historical financial and operating data of VITAS, acquired in February 2004 (in thousands, except percentages, days and dollars per day):

To provide background in analyzing the quarterly operations of the Vitas segment during 2004, we are providing the following financial and operating data for Vitas, prepared from Vitas' historical financial records (in thousands, except percentages, days and dollars per day):

	2003		2004			
	Third Quarter	Year-to-Date September	January 1 to February 23	February 24 to March 31 (a)	Second Quarter	Third Quarter
STATEMENT OF OPERATIONS						
Service revenues and sales	$ 113,528	$ 319,955	$ 72,870	$ 51,112	$ 130,240	$ 135,101
Cost of services provided and goods sold (excluding depreciation)	88,373	251,976	58,848	40,486	101,790	105,695
Selling, general and administrative expenses	13,894	39,036	8,186	5,391	13,329	14,215
Costs related to sale of business	--	--	24,956(b)	--	--	--
Depreciation	1,244	4,155	836	748	1,861	469
Total costs and expenses	103,511	295,167	92,826	46,625	116,980	120,379
Income/(loss) from operations	10,017	24,788	(19,956)	4,487	13,260	14,722
Interest expense	(1,843)	(4,509)	(919)	(28)	(30)	(32)
Loss on extinguishment of debt	(4,117)	(4,117)	(4,497)(b)	--	--	
Other income--net	168	521	41	31	176	382
Income/(loss) before income taxes	4,225	16,683	(25,331)	4,490	13,406	15,072
Income taxes	(1,644)	(6,622)	6,996	(1,893)	(5,499)	(6,097)
Net income/(loss)	$ 2,581	$ 10,061	$ (18,335)	$ 2,597	$ 7,907	$ 8,975
EBITDA (c)						
Net income/(loss)	$ 2,581	$ 10,061	$ (18,335)	$ 2,597	$ 7,907	$ 8,975
Add/(deduct)						
Interest expense	1,843	4,509	919	28	30	32
Income taxes	1,644	6,622	(6,996)	1,893	5,499	6,097
Depreciation	1,244	4,155	836	748	1,861	469
Amortization	6	19	4	331	1,102	1,562
EBITDA	$ 7,318	$ 25,366	$ (23,572)	$ 5,597	$ 16,399	$ 17,135

- ------------------

(a) We acquired Vitas on February 24, 2004 and recorded estimated purchase accounting adjustments to the value of Vitas' assets as of that date. Amortization of such adjustments for the February 24, 2004 to March 31, 2004 period totaled $202,000 for increased depreciation and $327,000 for increased amortization of identifiable intangible assets.

(b) Costs related to the sale of Vitas totaled $29,453,000 pretax ($20,930,000 aftertax). Such costs include legal and professional fees, severance costs and a loss on writing off deferred debt issuance costs.

(c) EBITDA is income before interest expense, income taxes, depreciation and amortization. We use EBITDA, in addition to net income, income/(loss) from operations and cash flow from operating activities, to assess our performance and believe it is important for investors to be able to evaluate us using the same measures used by management. We believe that EBITDA is an important supplemental measure of operating performance because it provides investors with an indication of our ability to fund our operating capital expenditures and debt service requirements through earnings. We also believe that EBITDA is a supplemental measurement tool used by analysts and investors to help evaluate a company's overall operating performance by including only transactions related to core cash operating business activities. EBITDA as calculated by us is not necessarily comparable to similarly titled measures reported by other companies. In addition, EBITDA is not prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), and should not be considered as alternatives for net income, income from operations net cash provided by operating activities or our other financial information determined under GAAP, and should not be considered as measure of our profitability or liquidity. We believe the line on our consolidated statement of operations entitled net income/(loss) is the most directly comparable GAAP measure to EBITDA. EBITDA, as calculated above includes interest income, loss on extinguishment of debt and costs related to the sale of Vitas to the Company as follows (in thousands):

2003		2004			
Third Quarter	Year-to-Date September	January 1 to February 23	February 24 to March 31	Second Quarter	Third Quarter

Interest income	$ 168	$ 521	$ 41	$ 31	$ 65	94
Loss on extinguishment of debt	4,117	4,117	4,497	--	--	
Costs related to sale of business	--	--	24,956	--	--	

	2003 Third Quarter	2003 Year-to-Date September	2004 Third Quarter	2004 Year-to-Date September
OPERATING STATISTICS				
Net revenue				
Homecare	$ 77,807	$ 217,753	$ 94,267	$ 266,216
Inpatient	17,009	51,265	18,362	55,774
Continuous care	18,712	50,937	22,472	67,333
Total	$ 113,528	$ 319,955	$ 135,101	$ 389,323
Net revenue as a percent of total				
Homecare	68.5%	68.1%	69.8%	68.4%
Inpatient	15.0	16.0	13.6	14.3
Continuous care	16.5	15.9	16.6	17.3
Total	100.0%	100.0%	100.0%	100.0%
Average daily census ("ADC") (days)				
Homecare	3,982	3,765	4,940	4,665
Nursing home	2,942	2,783	3,198	3,061
Routine homecare	6,924	6,548	8,138	7,726
Inpatient	342	347	362	367
Continuous care	377	348	449	451
Total	7,643	7,243	8,949	8,544
Average length of stay (days)	55.4	54.7	60.8(d)	58.8
Median length of stay (days)	12.0	11.7	13.0	12.0
ADC by major diagnosis				
Neurological	28.4%	28.7	31.6%	31.0%
Cancer	26.0	26.0	22.4	23.2
Cardio	14.4	14.2	14.8	14.5
Respiratory	7.5	7.4	7.1	7.3
Other	23.7	23.7	24.1	24.0
Total	100.0%	100.0%	100.0%	100.0%
Direct patient care margins (e)				
Routine homecare	50.1%	49.4%	50.1%	49.6%
Inpatient	22.4	22.6	20.8	24.6
Continuous care	21.4	22.0	18.5	18.9
Homecare margin drivers (dollars per patient day)				
Labor costs	$ 39.90	$ 40.96	$ 42.21	$ 42.55
Drug costs	8.74	8.84	8.42	8.76
Home medical equipment	5.60	5.67	5.75	5.76
Medical supplies	1.80	1.78	2.08	1.98
Inpatient margin drivers (dollars per patient day)				
Labor costs	$ 191.57	$ 191.25	$ 217.34	$ 205.96
Continuous care margin drivers (dollars per patient day)				
Labor costs	$ 402.75	$ 394.37	$ 424.21	$ 422.60
Bad debt expense as a percent of revenues	1.3%	1.3%	1.0%	1.1%
Accounts receivable -- days of revenue outstanding	34.2	37.4	35.9	35.9

- --------------------

(d) VITAS has six large (greater than 450 ADC), twelve medium (greater than 200 but less than 450 ADC) and fourteen small (less than 200 ADC) hospice programs. The average length of stay for all programs, in the aggregate, ranged from a low of 9.9 days to a high of 84.5 days for the third quarter of 2004.

(e) Amounts exclude indirect patient care costs.

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 the Company's assumptions could cause actual results to differ materially from these forward-looking statements and trends. The Company's ability to deal with the unknown outcomes of these events, many of which are beyond the control of the Company, may affect the reliability of its projections and other financial matters.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Chemed's primary market risk exposure relates to interest rate risk exposure through its variable interest rate borrowings. At September 30, 2004, we have a total of $142,500,000 of variable rate debt outstanding. Should the interest rate on this debt increase 100 basis points, our annual interest expense would increase $1,425,000 The current market value of our 8.75% fixed rate senior notes on November 4, 2004 is $156,750,000 (carrying value is $150,000,000). We estimate that the fair value of the remainder of our debt approximates book value at September 30, 2004 ($143,712,000).

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

The Company recently carried out an evaluation, under the supervision of the Company's 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 the Company's disclosure controls and procedures pursuant to Exchange Act Rules 13a-14/15d-14(a). Based upon the foregoing, the Company's President and Chief Executive Officer, Vice President and Chief Financial Officer and Vice President and Controller concluded that as of the date of this report the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company and its consolidated subsidiaries required to be included in the Company's Exchange Act reports. There have been no significant changes in internal control over financial reporting during the first nine months of 2004.

PART II OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit No.	Description
31.1	Certification by Kevin J. McNamara pursuant to Rule 13A - 14 of the Exchange Act of 1934.
31.2	Certification by David P. Williams pursuant to Rule 13A - 14 of the Exchange Act of 1934.
31.3	Certification by Arthur V. Tucker, Jr. pursuant to Rule 13A - 14 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.

(b) Reports on Form 8-K

- We filed a Current Report on Form 8-K, dated July 2, 2004, on July 2, 2004. The report includes the Company's announcement to extend by one week its offer to exchange its 8 3/4% Senior Notes Due 2011, which have been registered under the U.S. Securities Act of 1933, as amended.

- We filed a Current Report on Form 8-K, dated August 3, 2004, on August 3, 2004. The report includes the Company's earnings announcement for the second quarter.

- We filed a Current Report on Form 8-K, dated October 18, 2004, on October 18, 2004. The report includes the Company's announcement updating previous earnings estimates for the third quarter.

- We filed a Current Report on Form 8-K, dated October 25, 2004, on October 26, 2004. The report includes the Company's earnings announcement for the third quarter.

- We filed a Current Report on Form 8-K, dated November 5, 2004, on November 5, 2004. The report includes a copy of the Company's By-Laws, as amended to permit the issuance of shares in uncertified or book-entry form and to permit the issuance of fractional shares.

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:	November 9, 2004	By Kevin J. McNamara Kevin J. McNamara (President and Chief Executive Officer)
Dated:	November 9, 2004	By David P. Williams David P. Williams (Vice President and Chief Financial Officer)
Dated:	November 9, 2004	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:	November 9, 2004	By	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: November 9, 2004

By David P. Williams

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

EXHIBIT 31.3

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: November 9, 2004

By 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 June 30, 2004 ("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: November 9, 2004 By 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 June 30, 2004 ("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:	November 9, 2004	By	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 June 30, 2004 ("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:	November 9, 2004	By	Arthur V. Tucker, Jr.
			Arthur V. Tucker, Jr. (Vice President and Controller)