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

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

For Quarter Ended March 31, 1999

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 period 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 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	10,453,612 Shares	April 30, 1999

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CHEMED CORPORATION AND
SUBSIDIARY COMPANIES

Index

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements
CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
(in thousands except share and per share data)
UNAUDITED

	March 31, 1999	December 31, 1998
ASSETS		
Current assets		
Cash and cash equivalents	$ 33,580	$ 41,358
Accounts receivable, less allowances of $3,422 (1998 - $3,601)	50,636	45,260
Inventories	9,910	9,828
Statutory deposits	16,821	16,698
Other current assets	12,508	11,487
Total current assets	123,455	124,631
Other investments	41,824	55,778
Properties and equipment, at cost less accumulated depreciation of $46,925 (1998 - $44,450)	63,250	61,721
Identifiable intangible assets less accumulated amortization of $5,671 (1998 - $5,369)	12,883	12,960
Goodwill less accumulated amortization of $23,018 (1998 - $21,879)	157,728	155,965
Other assets	23,207	18,649
Total Assets	$ 422,347	$ 429,704
LIABILITIES		
Current liabilities		
Accounts payable	$ 9,128	$ 10,318
Current portion of long-term debt	2,863	4,393
Income taxes	15,646	12,563
Deferred contract revenue	27,188	26,571
Other current liabilities	35,805	37,253
Total current liabilities	90,630	91,098
Long-term debt	81,063	80,407
Other liabilities	34,247	34,843
Total Liabilities	205,940	206,348
STOCKHOLDERS' EQUITY		
Capital stock-authorized 15,000,000 shares $1 par;		

issued 13,661,997 shares (1998 - 13,605,481 shares)	13,662	13,605
Paid-in capital	164,191	162,252
Retained earnings	146,733	146,961
Treasury stock - 3,207,941 shares (1998 - 3,190,757 shares), at cost	(97,770)	(97,237)
Unearned compensation	(21,331)	(20,558)
Deferred compensation payable in company stock	5,151	5,071
Accumulated other comprehensive income	5,771	13,262
Total Stockholders' Equity	216,407	223,356
Total Liabilities and Stockholders' Equity	$ 422,347	$ 429,704

See accompanying notes to unaudited financial statements.

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

	Three Months Ended March 31, 1999	Three Months Ended March 31, 1998
Service revenues and sales	$104,079	$ 88,412
Cost of services provided and cost of goods sold	64,008	55,876
Selling and marketing expenses	9,766	7,127
General and administrative expenses	21,483	19,060
Depreciation	3,030	2,604
Total costs and expenses	98,287	84,667
Income from operations	5,792	3,745
Interest expense	(1,594)	(1,758)
Other income - net	4,609	8,333
Income before income taxes	8,807	10,320
Income taxes	(3,452)	(4,069)
Net Income	$ 5,355	$ 6,251
Earnings Per Common Share		
Net income	$ .51	$ .63
Average number of shares outstanding	10,471	9,989
Diluted Earnings Per Common Share		
Net income	$ .51	$ .63
Average number of shares outstanding	10,516	10,090
Cash Dividends Paid Per Share	$ .53	$ .53

See accompanying notes to unaudited financial statements.

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

	Three Months Ended March 31,	
	1999	1998*
Cash Flows From Operating Activities		
Net income	$ 5,355	$ 6,251
Adjustments to reconcile net income to net cash provided by operating activities:		
Gains on sale of investments	(3,068)	(6,163)
Depreciation and amortization	4,794	4,771
Provision for uncollectible accounts receivable	93	276
Provision for deferred income taxes	(24)	547
Changes in operating assets and liabilities, excluding amounts acquired in business combinations		
Increase in accounts receivable	(5,119)	(619)
Increase in inventories and other current assets	(1,020)	(398)
(Increase)/decrease in statutory deposits	(123)	(140)
Increase/(decrease) in accounts payable, deferred contract revenue and other current liabilities	869	478
Increase in income taxes	3,333	3,368
Other - net	(603)	(506)
Net cash provided by operating activities	4,487	7,865
Cash Flows From Investing Activities		
Business combinations, net of cash acquired	(5,965)	(1,811)
Proceeds from sale of investments	5,793	6,798
Capital expenditures	(5,726)	(4,363)
Net proceeds from sale of discontinued operations	(686)	(1,019)
Purchase of investments	(297)	(642)
Other - net	1,405	263
Net cash provided/(used) by investing activities	(5,476)	(774)
Cash Flows From Financing Activities		
Dividends paid	(5,616)	(5,355)
Repayment of long-term debt	(1,259)	(92)
Other - net	86	218
Net cash provided/(used) by financing activities	(6,789)	(5,229)
Increase/(Decrease) In Cash And Cash Equivalents	(7,778)	1,862
Cash and cash equivalents at beginning of period	41,358	70,958
Cash and cash equivalents at end of period	$ 33,580	$72,820

*Reclassified to conform to 1999 presentation.
See accompanying notes to unaudited financial statements.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

Notes to Unaudited Financial Statements

1. The accompanying unaudited consolidated financial statements have been prepared in accordance with Rule 10-01 of SEC Regulation S-X. Consequently, they do not include all the disclosures required under generally accepted accounting principles for complete financial statements. However, in the opinion of the management of Chemed Corporation (the "Company"), 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 and its consolidated subsidiaries ("Chemed"). For further information regarding Chemed's accounting policies, refer to the consolidated financial statements and notes included in Chemed's Annual Report on Form 10-K for the year ended December 31, 1998.

2. Earnings per common share are computed using the weighted average number of shares of capital stock outstanding. Diluted earnings per common share reflect the dilutive impact of outstanding stock options and nonvested stock awards.

3. The Company had total comprehensive income/(loss) of $(2,136,000) and $6,349,000 for the three months ended March 31, 1999 and 1998, respectively. The difference between the Company's net income and comprehensive income relates to the cumulative unrealized appreciation/depreciation on its available-for-sale securities.

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

Financial Condition

During the first quarter of 1999, other investments declined $13,954,000 to $41,824,000, other assets (which includes a net deferred income tax benefit) increased $4,558,000 to $23,207,000, and accumulated other comprehensive income declined $7,491,000 to $5,771,000. These changes were attributable to the sale of various investments during 1999, the decline in the market value of available-for-sale investments during the first quarter and the related deferred tax impact of such changes.

Vitas Healthcare Corporation, ("Vitas"), the privately-held provider of hospice services to the terminally ill in which the Company carries an investment of $27 million of redeemable preferred stock, is continuing to explore long-term financing alternatives to increase its liquidity. On the basis of current information, management believes the Company's investment in Vitas is fully recoverable and that no impairment exists.

At March 31, 1999 Chemed had approximately $106.2 million of unused lines of credit with various banks. Management believes its liquidity and sources of capital are satisfactory for the Company's needs in the foreseeable future.

Results of Operations

Sales and service revenues and aftertax earnings by business segment follow (in thousands):

	Three Months Ended March 31,	
	1999	1998
Sales and Service Revenues		

Roto-Rooter	$ 56,206	$ 41,679
Patient Care	30,212	29,800
Service America	17,661	16,933
Total	$104,079	$ 88,412

Aftertax Earnings

Roto-Rooter	$ 3,197	$ 2,092
Patient Care	652	621
Service America	539	522
Total segment earnings	4,388	3,235
Corporate		
Gains on sales of investments	1,934	3,877
Overhead	(1,302)	(1,078)
Net investing and financing income/(expense)	331	385
Other	4	(168)
Net income	$ 5,355	$ 6,251

Data relating to (a) the increase or decrease in service revenues and sales and (b) aftertax earnings as a percent of service revenues and sales for each segment are set forth below:

	Service Revenues and Sales - % Increase	Aftertax Earnings as a % of Revenues (Aftertax Margin)	
	1999 vs. 1998	1999	1998
Roto-Rooter	35 %	5.7%	5.0%
Patient Care	1	2.2	2.1
Service America	4	3.1	3.1
Total	18	4.2	3.7

Service revenues and sales for the Roto-Rooter segment for the first quarter of 1999 totalled $56,206,000, an increase of 35% over the $41,679,000 recorded in the first quarter of 1998. Revenues of the plumbing services business and the drain cleaning business increased 43% and 32%, respectively, for the first quarter of 1999, as compared with revenues recorded in the first quarter of 1998. These revenues accounted for 41% and 42%, respectively, of Roto-Rooter's total service revenues and sales during the 1999 period. Excluding businesses acquired in 1998 and 1999, revenues of this segment increased 15% during the first quarter of 1999. The aftertax margin of the Roto-Rooter segment in the first quarter of 1999 was 5.7% as compared with 5.0% during the first quarter of 1998. This increase was attributable to operating leverage as selling and marketing and general and administrative expenses increased at lesser rates than did service revenues and sales.

Service revenues of the Patient Care segment increased 1% from $29,800,000 during the first quarter of 1998 to $30,212,000 in the first quarter of 1999. Excluding the revenues of businesses acquired in 1998 and 1999, revenues declined 7% in 1999 as compared with revenues in 1998, primarily due to an expected decline in medicare and medicaid revenues resulting from the passage of the Balanced Budget Act of 1997. The aftertax margin of this segment was 2.2% in 1999 versus 2.1% in 1998.

Service revenues and sales of the Service America segment increased 4% from $16,933,000 in the first quarter of 1998 to $17,661,000 in the first quarter of 1999. This revenue increase was driven by a 9% increase in the revenues of Service America's retail business, which accounted for approximately 20% of its overall sales in the 1999 period. The aftertax margin of the Service America segment was 3.1% in both 1998 and 1999.

Income from operations increased from $3,745,000 in the first three months of 1998 to $5,792,000 during the first three months of 1999. This increase was primarily attributable to higher operating profit of the Roto-Rooter segment.

Other income--net declined from $8,333,000 in the first quarter of 1998 to $4,609,000 in the first quarter of 1999, primarily as a result of lower investment gains recorded in the 1999 period. During the first quarter of 1999 the Company recorded gains on the sales of investments aggregating $3,068,000 as compared with $6,163,000 during the first quarter of 1998. Lower interest income for 1999 as compared with the 1998 first quarter also contributed to the decline in other income.

The Company's effective income tax rate during the first quarter of 1999 was 39.2% as compared with 39.4% during the first three months of 1998.

Net income during the first quarter of 1999 totalled $5,355,000 ($.51 per share) as compared with $6,251,000 ($.63 per share) in the first quarter of 1998. This decline was primarily attributable to larger gains on the sales of investments in the 1998 period. Excluding gains on the sales of investments in both periods, net income for the first quarter of 1999 totalled $.33 per share as compared with $.24 per share during the first quarter of 1998.

Year 2000 Update

The Company's Year 2000 Project ("Project") addresses the issue of computer systems and hardware being unable to distinguish between the year 1900 and the year 2000.

Mission-critical systems of the Roto-Rooter and Service America segments are currently are believed to be Year 2000 ("Y2K") ready as are the majority of Patients Care's internal systems. It is anticipated that the remainder of Patient Care's systems will be Y2K- ready by the end of the third quarter. Systems currently not Y2K-ready are being upgraded or replaced by software developed in house and in some instances by installing upgrades of off-the-shelf software. Critical systems at the Company's administrative headquarters are believed to be Y2K-ready. Verification and testing of that readiness will be performed during the next three months.

As part of the Project, Patient Care and Service America are contacting major trading partners to ascertain that their systems are Y2K-ready or will be ready within an acceptable time frame. Due to the service-oriented, retail nature of its business, Roto-Rooter is not contacting trading partners, but is responding to its vendors' requests for information regarding Y2K-readiness.

Patient Care has begun its evaluation of its trading partners' readiness, and not all significant partners have been contacted or have responded. Approximately 80% of Patient Care's revenues are either directly or indirectly dependent upon the electronic processing of Medicare and Medicaid claims through fiscal intermediaries of the Health Care Financing Administration ("HCFA"). Patient Care and the Medicare intermediaries have modified their systems to be Y2K-ready and those systems are now in use. During 1998, Medicaid intermediaries orally represented to management that their systems will be Y2K-ready prior to

January 1, 2000. Medicaid-related revenues accounted for $26.1 million of Patient Care's revenues in fiscal 1998.

Should the Medicaid fiscal intermediaries, HCFA or Patient Care's major customers fail to become Y2K-ready on a timely basis, Patient Care could experience a significant slowing of the processing and payment of a substantial portion of its revenues.

The Company is in the beginning stages of developing a formalized contingency plan to continue operating should it experience the failure of systems due to Y2K issues or should major trading partners experience such a failure. Contingency plans currently include the manual and/or semi-manual processing of transactions. The need for a more detailed, formalized plan will be evaluated later in the year when an updated evaluation of Y2K-readiness is available.

While the Company currently anticipates its mission-critical systems will continue to operate after December 31, 1999, there can be no assurance that the failure of systems outside its control or immediate sphere of influence will not materially impact its operation.

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

This report contains forward-looking statements subject to certain risks and uncertainties that could cause actual results to differ materially from these statements and trends. Such factors include, but are not limited to: the state of Y2K-readiness of the Company and its key trading partners; the ability of the Patient Care operation to successfully implement remaining Y2K changes to its internal systems; and the successful development of a Y2K contingency plan, if needed. Prospective information is based on management's current expectation which can become inaccurate. The Company's ability to deal with the unknown outcomes of these events may affect the reliability of its projections of Y2K-readiness and other financial matters.

PART II -- OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	SK 601 Ref. No.	Description	Page No.
1	(11)	Statement re: Computation of Per Share Earnings	E-1
2	(27)	Financial Data Schedule	E-2

(b) Reports on Form 8-K

On February 4, 1999, the Company filed a report on Form 8-K describing two pooling-of-interests business combinations completed in the fourth quarter of 1998. This filing included the Company's unaudited consolidated statement of income for the three and twelve month periods ended December 31, 1997 and 1998.

SIGNATURES

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

Chemed Corporation
(Registrant)

Dated: May 10, 1999 By Naomi C. Dallob
Naomi C. Dallob, Vice President and Secretary

Dated: May 10, 1999 By Arthur V. Tucker, Jr.
Arthur V. Tucker, Jr. Vice President and Controller (Principal Accounting Officer)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
COMPUTATION OF PER SHARE EARNINGS
(in thousands except per share data)
EXHIBIT 11

	Net Income Three Months Ended March 31, 1999	Net Income Three Months Ended March 31, 1998
Computation of Earnings Per Common Share		
Reported income	$ 5,355	$ 6,251
Average number of shares outstanding	10,471	9,989
Earnings per common share	$ .51	$ .63
Computation of Diluted Earnings Per Common Share		
Reported income	$ 5,355	$ 6,251
Average number of shares outstanding	10,471	9,989
Effect of nonvested stock awards	43	44
Effect of unexercised stock options	2	57
Average number of shares used to compute diluted earnings per common share	10,516	10,090
Diluted earnings per common share	$ .51	$ .62

<ARTICLE> 5

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THIS SCHEDULE CONTAINS FINANCIAL INFORMATION EXTRACTED FROM FORM 10-Q OF CHEMED CORPORATION FOR THE QUARTER ENDED MARCH 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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