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, 2001

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	9,827,320 Shares	April 30, 2001

CHEMED CORPORATION AND
SUBSIDIARY COMPANIES

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

	March 31, 2001	December 31, 2000
ASSETS		
Current assets		
Cash and cash equivalents	$ 14,864	$ 10,280
Accounts receivable, less allowances of $5,578 (2000 - $5,137)	53,100	54,571
Inventories	10,999	10,503
Statutory deposits	13,877	14,046
Other current assets	17,685	17,070
Total current assets	110,525	106,470
Other investments	35,398	37,099
Properties and equipment, at cost less accumulated depreciation of $66,663 (2000 - $64,757)	73,985	75,177
Identifiable intangible assets less accumulated amortization of $7,872 (2000 - $7,749)	11,447	11,633
Goodwill less accumulated amortization of $32,727 (2000 - $31,524)	167,679	169,083
Other assets	22,117	21,913
Total Assets	$ 421,151	$ 421,375

LIABILITIES

Current liabilities		
Accounts payable	$ 11,622	$ 11,102
Current portion of long-term debt	14,323	14,376
Income taxes	13,385	11,862
Deferred contract revenue	24,653	24,973
Other current liabilities	39,923	44,629
Total current liabilities	103,906	106,942
Long-term debt	58,294	58,391
Other liabilities	26,718	27,637
Total Liabilities	188,918	192,970
MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF THE CHEMED CAPITAL TRUST	14,642	14,641
STOCKHOLDERS' EQUITY		
Preferred stock-authorized 700,000 shares without par value; none issued		
Capital stock-authorized 15,000,000 shares $1 par; issued 13,379,874 shares (2000 - 13,317,906 shares)	13,380	13,318
Paid-in capital	164,543	162,618
Retained earnings	157,322	153,909
Treasury stock - 3,552,355 shares (2000 - 3,467,753 shares), at cost	(108,384)	(105,249)
Unearned compensation	(15,282)	(16,683)
Deferred compensation payable in company stock	5,522	5,500
Accumulated other comprehensive income	2,261	3,237
Notes receivable for shares sold	(1,771)	(2,886)
Total Stockholders' Equity	217,591	213,764
Total Liabilities and Stockholders' Equity	$ 421,151	$ 421,375

See accompanying notes to unaudited financial statements.

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

	Three Months Ended March 31,	
	2001	2000
Service revenues and sales	$123,281	$121,534
Cost of services provided and cost of goods sold	75,055	74,127
Selling and marketing expenses	11,161	11,264
General and administrative expenses	25,646	24,846
Depreciation	4,071	3,758
Total costs and expenses	115,933	113,995
Income from operations	7,348	7,539
Interest expense (1,486)	(1,782)	
Distributions on preferred securities	(277)	(288)
Other income - net	1,762	2,396
Income before income taxes	7,347	7,865
Income taxes	(2,837)	(2,963)
Net income	$ 4,510	$ 4,902

Earnings Per Common Share

Net income	$ .46	$ .49
Average number of shares outstanding	9,746	10,064
Diluted Earnings Per Common Share		
Net income	$ .46	$ .48
Average number of shares outstanding	10,303	10,171
Cash Dividends Paid Per Share	$ .11	$ .10

See accompanying notes to unaudited financial statements.

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

	Three Months Ended March 31,	
	2001	2000*
Cash Flows From Operating Activities		
Net income	$ 4,510	$ 4,902
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,143	5,811
Gains on sale of investments	(1,112)	(951)
Provision for uncollectible accounts receivable	673	112
Provision for deferred income taxes	242	(92)
Changes in operating assets and liabilities, excluding amounts acquired in business combinations		
Decrease in accounts receivable	798	2,488
Increase in inventories	(496)	(462)
Increase in other current assets	(685)	(1,352)
Decrease/(increase) in statutory deposits	169	(109)
Decrease in accounts payable, deferred contract revenue and other current liabilities	(3,865)	(3,129)
Increase in income taxes	2,121	2,725
Other - net	1,471	(175)
Net cash provided by operating activities	9,969	9,768
Cash Flows From Investing Activities		
Capital expenditures	(3,250)	(4,283)
Net outflows from discontinued operations	(1,346)	(599)
Proceeds from sale of investments	1,310	1,121

Business combinations--net of cash acquired	-	(10,827)
Purchase of investments	-	(200)
Other - net	(271)	109
Net cash used by investing activities	(3,557)	(14,679)
Cash Flows From Financing Activities		
Dividends paid	(1,101)	(1,024)
Purchase of treasury stock	(1,056)	(2,508)
Proceeds from issuances of long-term debt	-	5,000
Other - net	329	(14)
Net cash provided/(used) by financing activities	(1,828)	1,454
Increase/(Decrease) In Cash And Cash Equivalents	4,584	(3,457)
Cash and Cash Equivalents at Beginning of Period	10,280	17,282
Cash and Cash Equivalents at End of Period	$ 14,864	$ 13,825

*Reclassified to conform to 2001 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, 2000.

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

	Three Months Ended March 31,	
	2001	2000
Sales and Service Revenues		
Roto-Rooter	$ 68,456	$ 67,724
Patient Care	34,941	32,909
Service America	17,803	18,754
Cadre Computer	2,081	2,147
Total	$123,281	$121,534
Aftertax Earnings		
Roto-Rooter	$ 4,081	$ 4,669
Patient Care	580	403(a)
Service America	462	320
Cadre Computer	(116)	42
Total segment earnings	5,007	5,434

Corporate		
Gains on sales of investments	703	677
Overhead	(1,213)	(1,363)
Net investing and financing income/(expense)	1	154
Other	12	-
Net income	$ 4,510	$ 4,902

(a) Includes aftertax income from favorable adjustments to prior years' cost reports ($130,000) and net adjustments to the allowance for doubtful accounts ($94,000).

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

	Three Months Ended March 31,	
	2001	2000
Reported income	$ 4,510	$ 4,902
Aftertax interest on Trust Securities (a)	180	-
Adjusted income	$ 4,690	$ 4,902
Average number of shares outstanding	9,746	10,064
Effect of conversion of the Trust Securities (a)	396	-
Effect of nonvested stock awards	120	106
Effect of unexercised stock options	41	1
Average number of shares used to compute diluted earnings per common share	10,303	10,171
Diluted earnings per common share	$ .46	$ .48

(a) The impact of potential conversion of the Trust Securities was anti-dilutive in the first quarter of 2000.

4. The Company had total comprehensive income of $3,534,000 and $4,389,000 for the three months ended March 31, 2001 and 2000, 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.

5. During the first quarter of 2001, the U.S. Department of Labor ("DOL") initiated an investigation into Roto-Rooter Services Company's pay practices for service technicians. DOL claims Roto-Rooter should pay these commissioned employees overtime for hours

worked over forty hours per week. Roto-Rooter has long relied on an overtime exemption covering Retail Service Employees. The DOL now asserts that plumbing services do not qualify, and Roto-Rooter should lose the exemption.

Roto-Rooter's compensation program responds to its employees' desire for flexibility and choices in terms of work schedule and income. Roto-Rooter intends to vigorously defend this matter, but cannot predict its outcome. It is not presently possible to reasonably estimate what additional liability, if any, may arise from this matter.

6. Statement of Financial Accounting Standards No. 133 ("SFAS133"), Accounting for Derivative Instruments and Hedging Activities, is effective for calendar year 2001. The impact of the adoption of SFAS133 on the Company's financial statements is insignificant since the Company does not invest in derivative or hedging instruments.

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

Financial Condition

The decline in other current liabilities from $44.6 million at December 31, 2000 to $39.9 million at March 31, 2001 is due largely to the payment of liabilities for 2000 supplemental thrift and profit-sharing contributions and incentive compensation.

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, refinanced its debt obligations in April 2001. In connection therewith, the Company and Vitas agreed to extend the maturity of Vitas' redeemable preferred stock to April 1, 2007. In addition, Vitas issued a warrant to the Company for the purchase of approximately 1.6 million shares of its common stock.

Vitas' operating results and net income continue to meet its management's expectations. 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, 2001, Chemed had approximately $100.2 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

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)	
	2001 vs. 2000	2001	2000
Roto-Rooter	1%	6.0%	6.9%
Patient Care	6	1.7	1.2
Service America	(5)	2.6	1.7
Cadre Computer	(3)	(5.6)	2.0
Total	1	4.1	4.5

Service revenues and sales for the Roto-Rooter segment for the first quarter of 2001 totalled $68,456,000, an increase of 1% over the $67,724,000 recorded in the first quarter of 2000. Revenues of the plumbing services business and the drain cleaning business increased 3%, for the first quarter of 2001, as compared with revenues recorded in the first quarter of 2000. These revenues accounted for 41% and 44%, respectively, of Roto-Rooter's total service revenues and sales during the 2001 period. The aftertax margin of the Roto-Rooter segment in the first quarter of 2001 was 6.0% as compared with 6.9% during the first quarter of 2000. This decline was attributable to a lower gross profit margin in 2001, and to an aftertax loss of $189,000 resulting from the divestment of a non performing heating and air-conditioning branch in the first quarter of 2001.

Service revenues of the Patient Care segment increased 6% from $32,909,000 during the first quarter of 2000 to $34,941,000 in the first quarter of 2001. The aftertax margin of this segment increased from 1.2% during the first quarter of 2000 to 1.7% during the 2001 quarter, primarily as the result of a higher gross margin in 2001.

Service revenues and sales of the Service America segment declined 5% from $18,754,000 in the first quarter of 2000 to $17,803,000 in the first quarter of 2001. This revenue decline was anticipated as Service America is not renewing its less profitable service contracts and raising prices on marginally profitable agreements. The aftertax margin of this segment increased from 1.7% during the first quarter of 2000 to 2.6% during the first quarter of 2001. This increase was attributable primarily to an increase in the gross profit margin in 2001, largely as a result of unusually high overtime costs incurred in 2000 and due to not renewing less profitable service contracts during the past six months.

Service revenues and sales of the Cadre Computer segment for the first quarter of 2001 declined 3% versus revenues for the first quarter of 2000. This revenue decline and the $116,000 loss recorded in the first quarter of 2001 were largely attributable to discontinuing the less profitable software development line of business in January 2001.

Income from operations declined from $7,539,000 in the first three months of 2000 to $7,348,000 during the first three months of 2001. This decrease was attributable primarily to lower operating profit of the Roto-Rooter segment.

Other income--net declined from $2,396,000 in the first quarter of 2000 to $1,762,000 in the first quarter of 2001, primarily as a result of recording net realized and unrealized losses on assets of nonqualified benefit plans on the first quarter of 2001 versus net gains recorded in the first quarter of 2000.

The Company's effective income tax rate during the first quarter of 2001 was 38.7% as compared with 37.7% during the first three months of 2000. The lower rate in 2000 was due primarily to a lower effective state and local income tax rate in the first quarter of 2000.

Net income during the first quarter of 2001 totalled $4,510,000 ($.46 per share) as compared with $4,902,000 ($.49 per share and $.48 per diluted share) in the first quarter of 2000. This decline was attributable primarily to lower earnings of the Roto-Rooter segment in 2001. Excluding gains on the sales of investments in both periods, net income for the first quarter of 2001 totalled $.39 per share as compared with $.42 per share during the first quarter of 2000.

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

This report contains statements which are subject to certain known and unknown risks, uncertainties, contingencies and other factors that could cause actual results to differ materially from these statements and trends. The Company's ability to deal with the unknown outcomes of these events, many of which are beyond its control, may affect the reliability of its projections 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.

None Required

(b) Reports on Form 8-K

None were filed in the quarter ended March 31, 2001.

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, 2001 By Naomi C. Dallob

Naomi C. Dallob, Vice President and Secretary

Dated:	May 10, 2001	By	Arthur V. Tucker, Jr.
			Arthur V. Tucker, Jr. Vice President and Controller (Principal Accounting Officer)