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 June 30, 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	10,448,323 Shares	July 31, 1999

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

	June 30, 1999	December 31, 1998
ASSETS		
Current assets		
Cash and cash equivalents	$ 22,574	$ 41,358
Accounts receivable, less allowances of $3,425 (1998 - $3,601)	49,450	45,260
Inventories	9,652	9,828
Statutory deposits	16,041	16,698
Other current assets	12,322	11,487
Total current assets	110,039	124,631
Other investments	37,458	55,778
Properties and equipment, at cost less accumulated depreciation of $49,251 (1998 - $44,450)	69,713	61,721
Identifiable intangible assets less accumulated amortization of $5,980 (1998 - $5,369)	12,925	12,960
Goodwill less accumulated amortization of $24,178 (1998 - $21,879)	161,966	155,965
Other assets	25,786	18,649
Total Assets	$ 417,887	$ 429,704
LIABILITIES		
Current liabilities		
Accounts payable	$ 10,270	$ 10,318
Current portion of long-term debt	2,475	4,393
Income taxes	12,587	12,563
Deferred contract revenue	26,550	26,571
Other current liabilities	36,131	37,253
Total current liabilities	88,013	91,098
Long-term debt	79,770	80,407
Other liabilities and deferred income	34,683	34,843

Total Liabilities	202,466	206,348
STOCKHOLDERS' EQUITY		
Capital stock-authorized 15,000,000 shares $1 par; issued 13,659,140 (1998 - 13,605,481) shares	13,659	13,605
Paid-in capital	164,407	162,252
Retained earnings	146,261	146,961
Treasury stock - 3,215,956 (1998 - 3,190,757) shares, at cost	(98,032)	(97,237)
Unearned compensation - ESOPs	(19,274)	(20,558)
Deferred compensation payable in company stock	5,262	5,071
Accumulated other comprehensive income	3,138	13,262
Total Stockholders' Equity	215,421	223,356
Total Liabilities and Stockholders' Equity	$ 417,887	$ 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 June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
Service revenues and sales	$109,410	$ 94,943	$213,489	$183,355
Cost of services provided and cost of goods sold	67,129	58,361	131,137	114,237
Selling and marketing expenses	9,842	8,316	19,608	15,443
General and administrative expenses	23,143	20,340	44,626	39,400
Depreciation	3,097	2,680	6,127	5,284
Total costs and expenses	103,211	89,697	201,498	174,364
Income from operations	6,199	5,246	11,991	8,991
Interest expense	(1,507)	(1,841)	(3,101)	(3,599)
Other income, net	3,735	5,612	8,344	13,945
Income before income taxes	8,427	9,017	17,234	19,337
Income taxes	(3,313)	(3,451)	(6,765)	(7,520)
Net Income	$ 5,114	$ 5,566	$ 10,469	$ 11,817
Earnings Per Common Share				
Net income	$ .49	$ .56	$ 1.00	$ 1.18
Average number of shares outstanding	10,473	10,005	10,473	9,997
Diluted Earnings per Common Shares				
Net income	$. .49	$ .55	$ 1.00	$ 1.17
Average number of shares outstanding	10,512	10,057	10,515	10,065
Cash Dividends Paid Per Share	$ .53	$ .53	$ 1.06	$ 1.06

See accompanying notes to unaudited financial statements.

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

	Six Months Ended June 30,	
	1999	1998
Cash Flows From Operating Activities		
Net income	$ 10,469	$ 11,817
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,820	8,581
Gains on sale of investments	(4,662)	(10,014)
Provision for uncollectible accounts receivable	155	572
Provision for deferred income taxes	(125)	1,403
Changes in operating assets and liabilities, excluding amounts acquired in business combinations		
Increase in accounts receivable	(5,780)	(1,837)
Increase in inventories and other current assets	(402)	(1,751)
Decrease/(increase) in statutory deposits	657	(282)
Decrease/(increase) in accounts payable, deferred contract revenue and other current liabilities	703	(2,995)
Increase in income taxes	570	1,312
Other - net	(1,166)	(1,566)
Net cash provided by operating activities	10,239	5,240
Cash Flows From Investing Activities		
Capital expenditures	(13,168)	(9,789)
Business combinations--net of cash acquired	(11,215)	(8,418)
Proceeds from sale of investments	7,702	11,259
Net outflows from sale of discontinued operations	(1,426)	(4,465)
Purchase of investments	(297)	(642)
Other-net	2,012	1,348
Net cash used by investing activities	(16,392)	(10,707)
Cash Flows From Financing Activities		
Dividends paid	(11,233)	(10,712)
Retirement of long-term debt	(1,479)	(870)
Other - net	81	118
Net cash used by financing activities	(12,631)	(11,464)
Decrease In Cash And Cash Equivalents	(18,784)	(16,931)
Cash and cash equivalents at beginning of period	41,358	70,958
Cash and cash equivalents at end of period	$ 22,574	$ 54,027

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. The Company had total comprehensive income of $2,481,000, $2,122,000, $345,000 and $8,471,000 for the three months ended June 30, 1999 and 1998 and for the six months ended June 30, 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.

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

	1999		
	Income (Numerator)	Shares (Denominator)	Earnings Per Share
For the three months ended June 30:			
Earnings	$ 5,114	10,473	$ .49
Nonvested stock awards	-	38	
Dilutive stock options	-	1	
Diluted earnings	$ 5,114	10,512	$ .49
For the six months ended June 30:			
Earnings	$ 10,469	10,473	$1.00
Nonvested stock awards	-	41	
Dilutive stock options	-	1	
Diluted earnings	$ 10,469	10,515	$1.00

	1998		
	Income (Numerator)	Shares (Denominator)	Earnings Per Share
For the three months ended June 30:			
Earnings	$ 5,566	10,005	$ .56
Nonvested stock awards	-	36	
Dilutive stock options	-	16	
Diluted earnings	$ 5,566	10,057	$ .55
For the six months ended June 30:			
Earnings	$ 11,817	9,997	$1.18
Nonvested stock awards	-	40	
Dilutive stock options	-	28	
Diluted earnings	$ 11,817	10,065	$1.17

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

Financial Condition

The decline in cash and cash equivalents from $41.4 million at December 31, 1998 to $22.6 million at June 30, 1999 is primarily due to the use of cash for business combinations and increased capital expenditures during 1999, largely in the Roto-Rooter segment. During the first six months of 1999, other investments declined $18.3 million to $37.5 million, other assets (which includes a net deferred income tax benefit) increased $7.1 million to $25.8 million, and accumulated other comprehensive income declined $10.1 million to $3.1 million. 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 six months 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. As a result of current negotiations, payment of the preferred dividend due July 15, 1999 ($1,215,000) has been deferred. On the basis of current information, management believes the Company's investment in Vitas is fully recoverable and that no impairment exists.

At June 30, 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

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

	Three Months Ended June 30,	Six Months Ended June 30,

	1999	1998	1999	1998
Service Revenues and Sales				
Roto-Rooter	$ 58,591	$ 47,060	$ 114,797	$ 88,739
Patient Care	32,157	29,980	62,369	59,780
Service America	18,662	17,903	36,323	34,836
Total	$109,410	$ 94,943	$ 213,489	$ 183,355

Aftertax Earnings				
Roto-Rooter	$ 3,349	$ 2,446	$ 6,546	$ 4,538
Patient Care	972	913	1,624	1,534
Service America	671	586	1,210	1,108
Total segment earnings	4,992	3,945	9,380	7,180
Corporate				
Gains on sales of investments	1,026	2,429	2,960	6,306
Overhead	(1,249)	(1,152)	(2,551)	(2,230)
Net investing and financing income	323	407	654	792
Other	22	(63)	26	(231)
Net income	$ 5,114	$ 5,566	$ 10,469	$ 11,817

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

	Service Revenues and Sales % Increase/(Decrease)	Aftertax Earnings as a % of Revenues (Aftertax Margin)	
	1999 vs. 1998	1999	1998
Three Months Ended June 30,			
Roto-Rooter	25 %	5.7%	5.2%
Patient Care	7	3.0	3.0
Service America	4	3.6	3.3
Total	15	4.6	4.2
Six Months Ended June 30,			
Roto-Rooter	29 %	5.7%	5.1%
Patient Care	4	2.6	2.6
Service America	4	3.3	3.2
Total	16	4.4	3.9

Second Quarter 1999 versus Second Quarter 1998

Service revenues and sales of the Roto-Rooter segment for the second quarter of 1999 totalled $58,591,000, an increase of 25% over the $47,060,000 recorded in the second quarter of 1998. Revenues of the plumbing services business and the drain cleaning business increased 28% and 27%, respectively, for the second quarter of 1999, as compared with the revenues for the second quarter of 1998. These revenues accounted for 43% and 39%, respectively of Roto-Rooter's total revenues and sales during the 1999 period. Excluding businesses acquired in 1998 and 1999, revenues for the second quarter of 1999 increased 13% over revenues recorded in the 1998 period. The aftertax margin of the Roto-Rooter segment during the second quarter of 1999 was 5.7% as compared with 5.2% during the second 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 7% from $29,980,000 in the second quarter of 1998 to $32,157,000 in the second quarter of 1999. Excluding revenues of businesses acquired in 1998 and 1999, revenues declined 6% in 1999 as compared with revenues in 1998, primarily due to an expected decline in Medicare revenues resulting from the passage of the Balanced Budget Act of 1997. The aftertax margin of this segment was 3.0% in both periods.

Service revenues and sales of the Service America segment increased 4% from $17,903,000 to $18,662,000 in the second quarter of 1999. This revenue increase was largely attributable to a 12% increase in revenues of Service America's retail business which accounts for approximately 23% of its overall sales. The aftertax margin of the Service America segment increased from 3.3% in the 1998 second quarter to 3.6% in the 1999 period, largely as the result of an increase in the gross margin.

Income from operations increased from $5,246,000 in the second quarter of 1998 to $6,199,000 in the second quarter of 1999, primarily as a result of higher operating profit of the Company's three segments.

Other income-net declined from $5,612,000 in the second quarter of 1998 to $3,735,000 in the second quarter of 1999 primarily due to larger gains on the sales of investments in the 1998 period.

Net income during the second quarter of 1999 totalled $5,114,000 ($.49 per share) as compared with $5,566,000 ($.56 per share) in the second quarter of 1998. This decline was attributable to larger gains on the sales of investments during the 1998 period. Excluding gains from the sales of investments in both periods,

income for the second quarter of 1999 totalled $.39 per share, an increase of 26% versus the $.31 per share for the second quarter of 1998.

Six Months Ended June 30, 1999 Versus June 30, 1998

Service revenues and sales of the Roto-Rooter segment for the first six months of 1999 totalled $114,797,000, an increase of 29% over the $88,739,000 recorded in the first six months of 1998. Revenues of the plumbing services business and drain cleaning business increased 35% and 30%, respectively, for the first six months of 1999. Excluding businesses acquired in 1999 and 1998, revenues of the segment increased 14% during the first six months of 1999. The aftertax margin of the Roto-Rooter segment in the first six months of 1999 was 5.7% as compared with 5.1% during the first six months of 1998. This increase was attributable to operating leverage achieved in the 1999 period.

Revenues of the Patient Care segment increased 4% from $59,780,000 in the first six months of 1998 to $62,369,00 in the first six months of 1999. Excluding revenues of businesses acquired in 1998 and 1999, revenues for the 1999 period declined 7% in 1999 primarily from an expected decline in Medicare revenues resulting from the passage of the Balanced Budget Act of 1997. The aftertax margin of this segment was 2.6% in 1999 and 1998.

Service revenues and sales of the Service America segment increased 4% from $34,836,000 in the first six months of 1998 to $36,323,000 in the first six months of 1999. This revenue increase was driven by a 11% increase in the sales of Service America's retail business, during the 1999 period. The aftertax margin of the Service America segment was 3.3% during the first six months of 1999 as compared with 3.2% during the first six months of 1998.

Income from operations increased from $8,991,000 during the first six months of 1998 to $11,991,000 during the comparable period of 1999. This increase was primarily a result of higher operating profit recorded by all of the Company's segments during 1999.

Other income-net declined from $13,945,000 during the first six months of 1998 to $8,344,000 during the first six month of 1999, as a result of lower investment gains recorded in 1999.

Net income during the first six months of 1999 totalled $10,469,000 ($1.00 per share) as compared with $11,817,000 ($1.18 per share) for the first six months of 1998. This decline was attributable to larger gains on the sales of investments during the

1998 period. Excluding gains from the sales of investments in both periods, income for the first six months of 1999 totaled $.72 per share, an increase of 31% as compared with $.55 per share for 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 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.

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. Medicaid intermediaries represented to management that their systems will be Y2K-ready during September 1999. Medicaid-related revenues accounted for $26.1 million, or 33% 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.

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 4. Submission of Matters to a Vote of Security Holders

(a) Chemed held its Annual Meeting of Shareholders on May 17, 1999.

(b) The names of each director elected at this Annual Meeting are as follows:

Edward L. Hutton	Sandra E. Laney
Rick L. Arquilla	Kevin J. McNamara
James H. Devlin	Spencer S. Lee
Charles H. Erhart, Jr.	John M. Mount
Joel F. Gemunder	Timothy S. O'Toole
Patrick P. Grace	Donald E. Saunders

Thomas C. Hutton	Paul C. Voet
Walter L. Krebs	George J. Walsh, III

(c) The stockholders approved and adopted the 1999 Stock Incentive Plan. 8,228,349 votes were cast in favor of the proposal, 842,085 votes were cast against it, 136,843 votes abstained, and 0 votes were broker non-votes.

(d) The stockholders ratified the Board of Directors' selection of PricewaterhouseCoopers LLP as independent accountants for the Company and its consolidated subsidiaries for the year 1999. 9,168,882 votes were cast in favor of the proposal, 45,841 votes were cast against it, 52,554 votes abstained, and three were broker non-votes.

(e) The stockholders then voted on stockholder proposal that the Board of Directors have a majority of outside members. 2,463,327 votes were cast for the proposal, 4,441,105 votes were cast against it, 275,728 votes abstained, and 2,087,117 votes were broker non-votes.

With respect to the election of directors, the number of votes cast for each nominee was as follows:

	Votes For	Withheld
E.L. Hutton	8,914,223	353,054
R.L. Arquilla	8,973,937	293,340
J.H. Devlin	8,975,515	291,762
C.H. Erhart, Jr.	8,955,147	312,130
J.F. Gemunder	8,996,329	270,948
P.P. Grace	8,997,579	269,698
T.C. Hutton	8,964,794	302,483
W.L. Krebs	8,974,607	292,670
S.E. Laney	8,994,006	273,271
S.S. Lee	8,982,099	285,178
K.J. McNamara	8,973,360	293,917
J.M. Mount	8,984,770	282,507
T.S. O'Toole	8,980,389	286,888
D.E. Saunders	8,994,434	272,843
P.C. Voet	8,884,916	382,361
G.J. Walsh III	9,014,748	252,529

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	SK 601 Ref. No.	Description
1	(27)	Financial Data Schedule

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: August 11, 1999 By Naomi C. Dallob

Naomi C. Dallob
Vice President and Secretary

Dated: August 11, 1999 By Arthur V. Tucker, Jr.

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

<ARTICLE> 5
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THIS SCHEDULE CONTAINS FINANCIAL INFORMATION EXTRACTED FROM FORM 10-Q OF THE
CHEMED CORPORATION FOR THE QUARTER ENDED JUNE 30, 1999 AND IS QUALIFIED IN ITS
ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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