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 June 30, 2005

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	25,655,906 Shares	June 30,2005

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)

	June 30, 2005	December 31, 2004
ASSETS		
Current assets		
Cash and cash equivalents	$ 17,870	$ 71,448
Accounts receivable less allowances of $7,844 (2004 - $7,544)	84,973	64,663
Inventories	7,309	7,019
Current deferred income taxes	20,687	31,250
Prepaid income taxes	8,360	-
Current assets of discontinued operations	4,656	13,397
Prepaid expenses and other current assets	9,499	9,842
Total current assets	153,354	197,619
Investments of deferred compensation plans held in trust	19,610	18,317
Other investments	1,445	1,445
Note receivable	12,500	12,500
Properties and equipment, at cost, less accumulated depreciation of $ 60,058 (2004 - $53,496)	59,432	55,796
Identifiable intangible assets less accumulated amortization of $ 7,202 (2004 - $5,174)	74,896	76,924
Goodwill	437,738	432,732
Noncurrent assets of discontinued operations	681	5,705
Other assets	22,571	24,528
Total Assets	$ 782,227	$ 825,566
LIABILITIES		
Current liabilities		
Accounts payable	$ 39,899	$ 37,777
Current portion of long-term debt	1,176	12,185
Income taxes	6,922	10,944
Accrued insurance	27,392	26,350
Accrued salaries and wages	24,000	17,030
Current liabilities of discontinued operations	7,605	22,117
Other current liabilities	36,284	42,777
Total current liabilities	143,278	169,180
Deferred income taxes	17,630	16,814
Long-term debt	234,541	279,510
Deferred compensation liabilities	19,555	18,311
Noncurrent liabilities of discontinued operations	779	811
Other liabilities	7,456	8,848
Total Liabilities	423,239	493,474
STOCKHOLDERS' EQUITY		
Capital stock - authorized 40,000,000 shares $1 par; issued 27,896,618 shares (2004 - 13,491,341 pre-2005 stock split shares)	27,897	13,491
Paid-in capital	222,160	212,691
Retained earnings	155,484	141,542
Treasury stock - 2,240,712 shares (2004 - 983,128 pre-2005 stock split shares), at cost	(44,572)	(33,873)
Unearned compensation	(3,772)	(3,590)
Deferred compensation payable in Company stock	2,333	2,375
Notes receivable for shares sold	(542)	(544)
Total Stockholders' Equity	358,988	332,092
Total Liabilities and Stockholders' Equity	$ 782,227	$ 825,566

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 June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Continuing operations				
Service revenues and sales	$ 226,309	$ 199,135	$ 444,946	$ 319,475
Cost of services provided and goods sold (excluding depreciation)	161,120	140,070	314,072	218,919
Selling, general and administrative expenses	36,802	34,476	73,397	62,688
Depreciation	3,928	4,097	7,848	7,158
Amortization	1,231	1,097	2,423	1,558
Other expenses	1,166	(1,368)	2,490	7,415
Total costs and expenses	204,247	178,372	400,230	297,738
Income from operations	22,062	20,763	44,716	21,737
Interest expense	(5,039)	(6,204)	(10,874)	(9,104)
Loss on extinguishment of debt	-	-	(3,971)	(3,330)
Other income--net	600	149	1,327	1,628
Income before income taxes	17,623	14,708	31,198	10,931
Income taxes	(6,512)	(6,381)	(12,182)	(5,755)
Equity in loss of affiliate	-	-	-	(4,105)
Income from continuing operations	11,111	8,327	19,016	1,071
Discontinued operations, net of income taxes	(2,226)	(9)	(2,015)	137
Net income	$ 8,885	$ 8,318	$ 17,001	$ 1,208
Earnings Per Share				
Income from continuing operations	$ 0.44	$ 0.34	$ 0.75	$ 0.05
Net income	$ 0.35	$ 0.34	$ 0.67	$ 0.05
Average number of shares outstanding	25,489	24,650	25,319	23,238
Diluted Earnings Per Share				
Income from continuing operations	$ 0.42	$ 0.33	$ 0.73	$ 0.05
Net income	$ $0.34	$ 0.33	$ 0.65	$ 0.05
Average number of shares outstanding	26,214	25,354	26,059	23,696
Cash Dividends Per Share	$ 0.06	$ 0.06	$ 0.12	$ 0.12

See accompanying notes to unaudited financial statements.

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

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Cash Flows from Operating Activities		
Net income	$ 17,001	$ 1,208
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,271	8,716
Write off unamortized debt issuance costs	2,871	-
Provision for deferred income taxes	(2,206)	50
Provision for uncollectible accounts receivable	3,343	2,932
Noncash long-term incentive compensation	2,574	4,988
Amortization of debt issuance costs	962	782
Discontinued operations	2,015	(137)
Equity in loss of affiliate	-	4,105
Changes in operating assets and liabilities, excluding amounts acquired in business combinations:		
Decrease/(increase) in accounts receivable	(23,653)	27
Increase in inventories	(290)	(407)
Decrease in prepaid expenses and other current assets	343	13,435
Decrease in accounts payable, and other current liabilities	(2,673)	(17,345)
Increase in income taxes	7,859	4,895
Decrease/(increase) in other assets	(1,328)	4,495
Increase in other liabilities	390	631
Noncash expense of internally financed ESOPs	572	947
Other sources/(uses)	676	(512)
Net cash provided by continuing operations	18,727	28,810
Net cash provided/(used) by discontinued operations	(1,559)	3,651
Net cash provided by operating activities	17,168	32,461
Cash Flows from Investing Activities		
Capital expenditures	(11,455)	(7,512)
Business combinations, net of cash acquired	(5,495)	(327,427)
Net uses from disposals of discontinued operations	(5,478)	(1,082)
Proceeds from sales of property and equipment	96	300
Return of merger deposit	-	10,000
Other uses	(107)	(92)
Net cash used by investing activities	(22,439)	(325,813)
Cash Flows from Financing Activities		
Repayment of long-term debt	(140,978)	(93,434)
Proceeds from issuance of long-term debt	85,000	295,000
Increase in cash overdraft payable	7,347	9,541
Issuance of capital stock, net of issuance costs	8,766	97,054
Debt issuance costs	(1,755)	(13,837)
Dividends paid	(3,060)	(2,707)
Purchases of treasury stock	(3,574)	(2,228)
Repayment of stock subscriptions note receivable	-	8,053
Redemption of convertible trust preferred securities	-	(2,736)
Other uses	(53)	(23)
Net cash provided/(used) by financing activities	(48,307)	294,683
Increase/(Decrease) in Cash and Cash Equivalents	(53,578)	1,331
Cash and cash equivalents at beginning of year	71,448	50,688
Cash and cash equivalents at end of period	$ 17,870	$ 52,019

See accompanying note to unaudited financial statements.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
Notes to Unaudited Financial Statements

1. Basis of Presentation

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

We have prepared the accompanying unaudited consolidated financial statements of Chemed in accordance with Rule 10-01 of SEC Regulation S-X. Consequently, we have omitted certain disclosures required under generally accepted accounting principles in the United States for complete financial statements. However, in our opinion, the financial statements presented herein contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position, results of operations and cash flows of the Company. These financial statements are prepared on the same basis as and should be read in conjunction with the Consolidated Financial Statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2004. Certain 2004 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 a 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 June 30,	
	2005	2004
Net income as reported	$ 8,885	$ 8,318
Add: stock -based compensation expense included in net income as reported, net of income tax effects	1,349	23
Deduct: total stock-based employee compensation determined under a fair-value- based method for all stock options and awards, net of income tax effects	(4,016)	(1,001)
Pro forma net income	$ 6,218	$ 7,340
Earnings per share		
As reported	$ 0.35	$ 0.34
Pro forma	$ 0.24	$ 0.30
Diluted earnings per share		
As reported	$ 0.34	$ 0.33
Pro forma	$ 0.24	$ 0.29

	Six Months Ended June 30,	
	2005	2004
Net income as reported	$ 17,001	$ 1,208
Add: stock -based compensation expense included in net income as reported, net of income tax effects	2,488	3,823
Deduct: total stock-based employee compensation determined under a fair-value- based method for all stock options and awards, net of income tax effects	(6,314)	(5,020)
Pro forma net income	$ 13,175	$ 11
Earnings per share		
As reported	$ 0.67	$ 0.05
Pro forma	$ 0.52	$ -
Diluted earnings per share		
As reported	$ 0.65	$ 0.05
Pro forma	$ 0.51	$ -

We calculated the above data using the Black-Scholes option-valuation method to value the Company's options granted in 2005 and prior years.

2. Capital Stock Split

On March 11, 2005, the Board of Directors of the Company approved a 2-for-1 stock split in the form of a 100% stock dividend to shareholders of record at the close of business on April 22, 2005. This stock split was paid May 11, 2005. Under Delaware law, the par value of the capital stock remains $1 per share. Prior period per share data have been restated to retroactively reflect the impact of the stock split on the average number of shares outstanding. The shares outstanding and in treasury prior to May 11, 2005 have not been restated.

3. Revenue Recognition

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

As discussed in Note 8, during the second quarter of 2005, VITAS recorded a $1.0 million Medicare Cap liability for its Phoenix program, which was acquired in December 2004. Given that the Medicate Cap liability is related to patients being cared for at the time of acquisition, this liability is considered to be a pre-acquisition contingency of this program. None of VITAS' other hospice programs are currently projected to exceed the Medicare Cap for the 2005 measurement period.

4. Segments

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

	Three Months Ended June 30, 2005		Three Months Ended June 30, 2004	
Service Revenues and Sales				
VITAS	$ 153,748		$ 130,240	
Roto-Rooter	72,561		68,895	
Total	$ 226,309		$ 199,135	
Aftertax Earnings				
VITAS	$ 10,149	(a)	$ 7,907	
Roto-Rooter	5,676	(b)	5,150	
Total segment earnings	15,825		13,057	
Corporate	(4,714)	(c)	(4,730)	(c)
Discontinued operations (f)	(2,226)		(9)	
Net income	$ 8,885		$ 8,318	

	Six Months Ended June 30, 2005		Six Months Ended June 30, 2004	
Service Revenues and Sales				
VITAS	$ 299,738		$ 181,352	(d)
Roto-Rooter	145,208		138,123	
Total	$ 444,946		$ 319,475	
Aftertax Earnings				
VITAS	$ 19,518	(a)	$ 10,504	(d)
Roto-Rooter	12,821	(b)	9,387	(b)
Total segment earnings	32,339		19,891	
Corporate	(13,323)	(c)	(14,715)	(c)
Equity in loss of affiliate (VITAS)	--		(4,105)	(e)
Discontinued operations (f)	(2,015)		137	
Net income	$ 17,001		$ 1,208	

(a) Amounts for the three and six months ended June 30, 2005 include aftertax costs of $365,000 and $547,000, respectively, for awards made under the long-term incentive plan ("LTIP") in 2005. Amounts for 2005 also include aftertax costs of $160,000 for legal expenses incurred in connection with the Office of Inspector General ("OIG") investigation during the second quarter and six months ended June 30, 2005.

(b) Amounts for the three and six months ended June 30, 2005 include aftertax costs of $187,000 and $340,000, respectively, for awards made under the LTIP in 2005. Amount for the six months ended June 30, 2005 includes favorable adjustment to casualty insurance of $1,014,000 aftertax related to prior quarters' favorable experience. Amount for the six months ended June 30, 2004 includes $982,000 aftertax cost of the LTIP in March 2004.

(c) Amounts for the three and six months ended June 30, 2005 include aftertax cost of $600,000 and $960,000, respectively, for awards made under the LTIP. Amounts for 2005 and 2004 include aftertax favorable adjustments to transaction-related costs of the VITAS acquisition of $671,000 and $821,000, respectively. Amounts for the six months ended June 30, 2005 include a noncash aftertax charge of $137,000 for accelerating the vesting on stock options and $2,523,000 aftertax loss on the extinguishment of debt. Amount for six months ended June 30, 2004 includes $2,164,000 aftertax loss on the extinguishment of debt and $4,741,000 aftertax cost for awards made under the LTIP.

(d) Amounts include consolidated operations of VITAS beginning on February 24, 2004, the date the Company acquired the controlling interest in VITAS. Total service revenues for VITAS for the six months ended June 30, 2004 were $254,222,000.

(e) Amount for 2004 represents the Company's 37% equity in the loss of VITAS through February 23, 2004. During the period from 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

(f) Amounts for 2005 include an aftertax loss of $2,350,000 resulting from finalizing the disposal of Service America in May 2005. Amounts for the three and six months ended June 30, 2005 include aftertax income from the operations of Service America of $124,000 and $335,000, respectively. Amounts for 2004 represent the income from the operations of Service America, discontinued in the fourth quarter of 2004.

5. Earnings per Share

Earnings per share are computed using the weighted average number of shares of capital stock outstanding. Earnings and diluted earnings per share for 2005 and 2004 are computed as follows (in thousands, except per share data):

	Income (Numerator)	Shares (Denominator)	Income Per Share
Income from Continuing Operations - For the Three Months Ended June 30,			
2005			
Reported income	$ 11,111	25,489	$ 0.44
Dilutive stock options	-	627	
Impact of LTIP shares issue July 2005 (a)	-	35	
Nonvested stock awards	-	63	
Diluted income	$ 11,111	26,214	$ 0.42
2004			
Reported income	$ 8,327	24,650	$ 0.34
Impact of convertible junior subordinated debentures	94	336	
Dilutive stock options	-	366	
Nonvested stock awards	-	2	
Diluted income	$ 8,421	25,354	$ 0.33
Net Income - For the Three Months Ended June 30,			
2005			
Reported income	$ 8,885	25,489	$ 0.35
Dilutive stock options	-	627	
Impact of LTIP shares issued July 2005 (a)	-	35	
Nonvested stock awards	-	63	
Diluted income	$ 8,885	26,214	$ 0.34
2004			
Reported income	$ 8,318	24,650	$ 0.34
Impact of convertible junior subordinated debentures	94	336	
Dilutive stock options	-	366	
Nonvested stock awards	-	2	
Diluted income	$ 8,412	25,354	$ 0.33
Income from Continuing Operations - For the Six Months Ended June 30,			
2005			
Reported income	$ 19,016	25,319	$ 0.75
Dilutive stock options	-	665	
Impact of LTIP shares issued July 2005 (a)	-	17	
Nonvested stock awards	-	58	
Diluted income	$ 19,016	26,059	$ 0.73
2004 (b)			
Reported income	$ 1,071	23,238	$ 0.05
Dilutive stock options	-	456	
Nonvested stock awards	-	2	
Diluted income	$ 1,071	23,696	$ 0.05
Net Income - For the Six Months Ended June 30,			
2005			
Reported income	$ 17,001	25,319	$ 0.67
Dilutive stock options	-	665	
Impact of LTIP shares issued July 2005 (a)	-	17	
Nonvested stock awards	-	58	
Diluted income	$ 17,001	26,059	$ 0.65
2004 (b)			
Reported income	$ 1,208	23,238	$ 0.05
Dilutive stock options	-	456	
Nonvested stock awards	-	2	

Diluted income	$ 1,208	23,696	$ 0.05

(a) These amount reflect the dilutive impact of issuing the LTIP shares at the beginning of the second quarter rather than in June 2005 as assumed for the computation of average shares outstanding.

(b) The impact of the convertible junior subordinated debentures is anti-dilutive and has been excluded from the computation of average shares outstanding for these periods.

6. Other Expenses

Other expenses from continuing operations for 2005 and 2004 include the following (in thousands):

	Three Months Ended June 30,	
	2005	2004
Long-term incentive compensation (see Note 9)	$ 1,837	$ --
Adjustments to transaction-related costs of the VITAS acquisition*	(671)	(1,368)
Total other expenses	$ 1,166	$(1,368)

	Six Months Ended June 30,	
	2005	2004
Long-term incentive compensation (see Note 9)	$ 2,946	$ 8,783
Adjustments to transaction-related costs of the VITAS acquisition*	(671)	(1,368)
Cost of accelerating the vesting of stock options	215	--
Total other expenses	$ 2,490	$ 7,415

* These adjustments are adjustments to the Company's share of certain expenses of the acquisition of VITAS incurred by VITAS when it was a 37% equity investee of the Company.

7. Other Income-net

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

	Three Months Ended June 30,	
	2005	2004
Interest income	$ 263	$ 459
Market valuation losses on trading investments of employee benefit trusts	(27)	(235)
Gains on other investments of employee benefit trusts	354	--
Gain/(loss) on disposal of property and equipment	10	(98)
Other--net	--	23
Total other income--net	$ 600	$ 149

	Six Months Ended June 30,	
	2005	2004
Interest income	$ 913	$ 967
Market valuation gains on trading investments of employee benefit trusts	60	761
Gains on other investments of employee benefit trusts	354	--
Loss on disposal of property and equipment	(19)	(149)
Other--net	19	49
Total other income--net	$ 1,327	$ 1,628

8. Business Combinations

During the first six months of 2005, we completed one business combination in the VITAS segment and one business combination in the Roto-Rooter segment. The VITAS business acquired provides hospice services in the Pittsburgh, PA area and the Roto-Rooter business acquired provides drain cleaning and plumbing services using the Roto-Rooter name in Greensboro, NC. The results of operations of the Roto-Rooter businesses acquired were not material to the Company's results of operations. The unaudited pro forma results of operations, assuming all VITAS segment business combinations completed in 2004 and 2005 were completed on January 1, 2004, are presented below (in thousands, except per share data):

	Three Months Ended June 30,	
	2005	2004
Service revenues and sales	$226,992	$201,944
Net income	8,898	8,034
Earnings per share	0.35	0.33
Diluted earnings per share	0.34	0.32

	Six Months Ended June 30,	
	2005	2004
Service revenues and sales	$445,629	$397,990
Net income	17,014	6,077
Earnings per share	0.67	0.25
Diluted earnings per share	0.65	0.24

The excess of the purchase price over the fair value of the net assets acquired in purchase business combinations is classified as goodwill. On a preliminary basis, the purchase price of all businesses acquired in the first six months of 2005 has been allocated as follows (in thousands):

Working capital	$ 316
Property and equipment	147
Goodwill	5,032
Total	$ 5,495

Included in the above allocation is an adjustment of $1,027,000 increasing both goodwill and other current liabilities for the estimated pre-acquisition liability related to the Medicare Cap for VITAS' Phoenix acquisition (acquired in December 2004). This liability will be evaluated further in the third and fourth quarter of 2005 when more data are available. Adjustments to this preliminary estimate may be recorded at that time.

All of the goodwill acquired in 2005 is expected to be deductible for tax purposes. Of the total goodwill acquired in 2005, $4,632,000 relates to the VITAS segment and $400,000 to the Roto-Rooter segment.

9. 2002 Executive Long-Term Incentive Plan

During the second quarter of 2005, the price of the Company's stock exceeded $38.75 per share for 30 trading days, fulfilling one of the performance targets set forth in the 2002 Executive Long-Term Incentive Plan ("LTIP"). On July 11, 2005, the Compensation/Incentive Committee of the Board of Directors ("CIC") approved a payout of 37,500 shares of capital stock under the LTIP. The pretax expense of this award for continuing operations, including payroll taxes and benefit costs, was $1,837,000 ($1,152,000 aftertax).

During the first quarter of 2005, the price of the Company's stock exceeded $35 per share for 30 trading days, fulfilling one of the performance targets set forth in the LTIP. On March 11, 2005, the CIC approved a payout of 25,000 shares of capital stock under the LTIP. The pretax expense of this award for continuing operations, including payroll taxes and benefit costs, was $1,109,000 ($695,000 aftertax).

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 LTIP. In February 2004, the 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 for continuing operations, including payroll taxes and benefit costs, was $8,783,000 ($5,723,000 aftertax).

As of June 30, 2005, no accrual for awards under the earnings component or the remaining market price component of the LTIP was made since it is not probable that either of these awards will be earned and paid.

10. Long-term Debt and Extinguishment of Debt

In February 2005, we prepaid $110 million of the Floating Rate Notes due 2010. In addition, we amended our term loan and revolving credit facility with JPMorgan Chase Bank to provide for a term loan of $85 million due August 2010 and a $175 million revolving credit facility expiring February 2010. In connection with these transactions we recorded a loss on the extinguishment of debt of $3,971,000 in the first quarter of 2005 that comprised a prepayment penalty of $1,100,000 on the Floating Rate Notes and the write-off of $2,871,000 of unamortized debt issuance costs for the Floating Rate Notes and the previous term loan.

The Company is in compliance with all debt covenants as of June 30, 2005 and projects that it will remain in compliance during the remainder of 2005. As of June 30, 2005, the Company has approximately $147.3 million of unused lines of credit available and eligible to be drawn down under its revolving credit facility.

11. Loans Receivable from Independent Contractors

The Roto-Rooter segment sublicenses with approximately sixty independent contractors to operate certain plumbing repair and drain cleaning businesses in lesser-populated areas of the United States and Canada. As of June 30, 2005, the Company had notes receivable from its independent contractors totaling $2,803,000 (December 31, 2004-$2,781,000). 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 two months to 5.4 years at June 30, 2005. During the quarter ended June 30, 2005, we recorded revenues of $4,433,000 (2004-$3,932,000) and pretax profits of $1,344,000 (2004-$986,000) from our independent contractors. During the six months ended June 30, 2005, we recorded revenues of $9,041,000 (2004-$8,023,000) and pretax profits of $3,027,000 (2004-$2,538,000) from our independent contractors.

Effective January 1, 2004, we adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 46R "Consolidation of Variable Interest Entities--an interpretation of Accounting Research Bulletin No. 51 (revised)" ("FIN 46R") relative to 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 these potential VIE relationships. 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. Instead, consolidation of some, if any, of these arrangements is more likely to result in a "grossing up" of amounts such as revenues and expenses with no net change in the Company's net income or cash flow.

12. Pension and Retirement Plans

All of the Company's plans that provide retirement and similar benefits are defined contribution plans. Expenses for the Company's pension and profit-sharing plans, ESOP's, excess benefit plans and other similar plans comprise the following (in thousands):

For the three months ended June 30, 2005	$ 2,651
For the three months ended June 30, 2004	1,362
For the six months ended June 30, 2005	5,351
For the six months ended June 30, 2004	4,734

13. 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 certification of a class of customers in 32 states who allegedly paid for plumbing work performed by unlicensed employees. Plaintiff also moved for partial summary judgment on grounds the licensed apprentice plumber who installed his faucet did not work under the direct personal supervision of a licensed master plumber. On June 19, 2002, the trial judge certified an Illinois-only plaintiffs class and granted summary judgment for the named party Plaintiff on the issue of liability, finding violation of the Illinois Plumbing License Act and the Illinois Consumer Fraud Act through Roto-Rooter's representation of the licensed apprentice as a plumber. The court has not yet ruled on certification of a class in the remaining 31 states. In December 2004, the Company reached a tentative resolution of this matter with the plaintiff. This proposed settlement has not yet been finalized by the parties nor approved by the court. Nonetheless, the Company, in anticipation of such approval, accrued $3.1 million in the fourth quarter of 2004 as the anticipated cost of settling this litigation.

VITAS is party to a class action lawsuit filed in the Superior Court of California, Los Angeles County, in April of 2004 by Ann Marie Costa, Ana Jimenez, Maria Ruteaya and Gracetta Wilson alleging failure to pay overtime wages and to provide meal and break periods to California nurses, home health aides and licensed clinical social workers. The Company contests these allegations and believes them without merit. Due to the complex legal and other issues involved, it is not presently possible to estimate the amount of liability, if any, related to this case. Management cannot provide assurance the Company will ultimately prevail in it. Regardless of outcome, such litigation can adversely affect the Company through defense costs, diversion of management's time, and related publicity.

14. Related Party Agreement

In October 2004, VITAS entered into a pharmacy services agreement ("Agreement") with Omnicare, Inc. ("OCR") whereby OCR will provide specified pharmacy services for VITAS and its hospice patients in geographical areas served by both VITAS and OCR. The Agreement has an initial term of three years that renews automatically thereafter for one-year terms. Either party may cancel the Agreement at the end of any term by giving written notice at least 90 days prior to the end of said term. Under the agreement, VITAS made purchases of $5,351,000 from OCR during the first six months of 2005. Mr. E. L. Hutton is non-executive Chairman and a director of the Company and OCR. Also, Mr. Joel F. Gemunder, President and Chief Executive Officer of OCR, Mr. Charles H. Erhart, Jr. and Ms. Sandra Laney are directors of both OCR and the Company. Mr. Kevin J. McNamara, President, Chief Executive Officer and a director of the Company, is a director emeritus of OCR. Nonetheless, we believe that the terms of the Agreement are no less favorable to VITAS than we could negotiate with an unrelated party.

15. Discontinued Operations

Discontinued operations comprises the operating results and loss on disposal of Service America, discontinued in December 2004 and disposed in May 2005(in thousands except per share data):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2005	2004	2005	2004
Operating Results				
Income/(loss) before income taxes	$ 244	$ (9)	$ 576	$ 265
Income taxes	(120)	--	(241)	(128)
Income/(loss) from operations, net of income taxes	124	(9)	335	137
Loss on Disposal				
Loss on disposal before income income taxes	(2,398)	--	(2,398)	--
Income taxes	48	--	48	--
Loss on disposal, net of income taxes	(2,350)	--	(2,350)	--
Total discontinued operations	$ (2,226)	$ (9)	$ (2,015)	$ 137
Earnings per share	$ (.09)	$ --	$ (.08)	$ --
Diluted earnings per share	$ (.08)	$ --	$ (.08)	$ --
Service revenues and sales	$ 2,682	$ 9,860	$ 10,716	$ 20,568

The loss on disposal of Service America in the second quarter of 2005 arises from the finalization of the asset and liability values and related tax benefits resulting from closing the disposal in May 2005.

The corporation that acquired Service America, Service America Enterprise, Inc. ("Enterprise"), purchased the substantial majority of Service America's assets in exchange for Enterprise's assuming substantially all of Service America's liabilities. Included in the assets acquired is a receivable from the Company for approximately $4.7 million. The Company paid $1 million of this receivable upon closing and will pay the remainder over the following year in 11 equal installments. At June 30, 2005, 10 of these payments due Enterprise remain outstanding.

16. OIG Investigation

On April 7, 2005, the Company announced the Office of Inspector General

("OIG") for the Department of Health and Human Services served VITAS with civil subpoenas relating to VITAS' alleged failure to appropriately bill Medicare and Medicaid for hospice services. As part of this investigation, the OIG selected medical records for 320 past and current patients from VITAS' three largest programs for review. It also sought policies and procedures from 1998 to present covering admissions, certifications, recertifications, and discharges.

The OIG has not disclosed the origin of the subpoenas or investigation. We are unable to predict the outcome of the investigation or the impact, if any, that the investigation may have on the business, results of operations, liquidity or capital resources. Regardless of outcome, responding to the subpoenas can adversely affect the Company through defense costs, diversion of management's time and related publicity.

17. Cash Overdrafts Payable

Included in accounts payable at June 30, 2005 are cash overdrafts payable of $8,612,000 (December 31, 2004 - $1,265,000).

18. Ohio Tax Law Change

On June 30, 2005, significant changes to the tax system of the state of Ohio were signed into law. The impact is required to be accounted for in all annual and interim periods ending on or after June 30, 2005. Changes in the Ohio tax legislation include the phasing out of the Ohio income tax and the Ohio personal property tax. Additionally, a new Commercial Activity Tax (CAT), which is a tax based on gross receipts, is being introduced. Since the corporation income tax is being replaced by the CAT, which is not an income tax under generally accepted accounting principles, entities with business in the state of Ohio must account for the phase-out of the corporation income tax as a change in enacted tax rate as of June 30, 2005. There was no significant impact for the Company as of and for the three and six month periods ended June 30, 2005.

19. Recent Accounting

Statements In December 2004, FASB issued Statement of Financial Accounting Standards ("SFAS") No. 123 (revised 2004) "Share-Based Payment" ("SFAS No. 123R"), which requires companies to recognize in the income statement the grant-date fair value of stock options and other equity-based compensation issued to employees and disallows the use of the intrinsic value method of accounting for stock options, but expresses no preference for a type of valuation model. This statement supersedes APB No. 25, but does not change the accounting guidance for share-based payment transactions with parties other than employees provided in SFAS No. 123 as originally issued. Based on recent action by the Securities and Exchange Commission ("SEC"), SFAS No. 123R will be effective as of the beginning of the Company's next fiscal year (January 1, 2006). We are evaluating our stock incentive programs and most likely will significantly reduce the number of stock options granted after December 31, 2005. In March 2005, the Board of Directors approved immediate vesting of all unvested stock options to avoid recognizing approximately $951,000 of pretax expense that would have been charged to income under SFAS No. 123R during the five quarters beginning on January 1, 2006. The $215,000 pretax cost of accelerating the vesting of these options is included in the determination of income from continuing operations for the first quarter of 2005. As a result, we do not expect the implementation of SFAS No. 123R in the first quarter of 2006 to have a significant impact on our financial condition, results of operations or cash flows.

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

Financial Condition
Liquidity and Capital Resources

Significant changes in the balance sheet accounts from December 31, 2004 to June 30, 2005 include the following:

- The $53.5 million decline in cash and cash equivalents from $71.4 million at December 31, 2004 to $17.9 million at June 30, 2005 is primarily attributable to the use of cash to reduce the Company's total long-term debt by $56.0 million from $291.7 million at December 31, 2004 to $235.7 million at June 30, 2005.

- The increase in accounts receivable from $64.7 million at December 31, 2004 to $85.0 million at June 30, 2005 is due to the timing of the receipt of Medicare payments at the end of 2004 versus such timing at June 30, 2005, VITAS' higher revenues for the second quarter of 2005 as compared with the fourth quarter of 2004, and the delay in the receipt of Medicare payments for recently acquired operations and certain new start operations. The delay in the receipt of Medicare payments for recent acquisitions and new starts is due to the timing of receipt of Medicare program certification. Payment of these amounts is expected during the next several months.

- The decline in current deferred income taxes from $31.3 million at December 31, 2004 to $20.7 million at June 30, 2004 and the increase in prepaid income taxes from nil at December 31, 2004 to $8.4 million at June 30, 2005 is primarily attributable to reclassifying the income tax benefit on the disposal of Service America from deferred to current income taxes.

- The reduction in the current portion of long-term debt from $12.2 million at December 31, 2004 to $1.2 million at June 30, 2005 resulted from refinancing our term loan with JPMorgan Chase in February 2005.

- The $6.5 million decline in other current liabilities from $42.8 million at December 31, 2004 to $36.3 million at June 30, 2005 is largely attributable to the payment of 2004 incentive compensation and supplemental thrift plan contributions during 2005. The payment of various severance and divestiture liabilities also contributed to this decline.

Net cash provided by continuing operations declined $10.1 million from $28.8 million for the first six months of 2004 to $18.7 million for the first six months of 2005, due primarily to a lower level of cash generated by VITAS operations in 2005. This decline is due to the previously mentioned delay in the receipt of Medicare payment for recent acquisitions and new starts related to the receipt of Medicare program certification.

At June 30, 2005, we had approximately $147.3 million available lines of credit eligible to be drawn down under our amended credit agreement with JPMorgan Chase. 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, 2005. In connection therewith, we are in compliance with all financial and other debt covenants as of June 30, 2005 and anticipate remaining in compliance throughout 2005.

In connection with the sale of Patient Care in 2002, $5.0 million of the cash purchase price was placed in escrow pending collection of third-party payer receivables on Patient Care's balance sheet at the sale date. To date, $4.2 million has been returned and the remainder is being withheld pending the settlement of certain third-party payer claims. Based on Patient Care's collection history, we believe that the significant majority of the disputed amounts will be resolved in Patient Care's favor and most of the withheld escrow will be returned to the Company. We also have accounts receivable from Patient Care for the post-closing balance sheet valuation ($1.3 million) and for expenses paid by us after closing on Patient Care's behalf ($1.6 million). The Company is in litigation with Patient Care over various issues, including the collection of these amounts. We believe these balances represent valid claims, are fairly stated and are fully collectible; nonetheless, an unfavorable determination by the courts could result in the write-off of all or a portion of these balances.

On April 7, 2005, the Company announced the Office of Inspector General ("OIG") for the Department of Health and Human Services served VITAS with civil subpoenas relating to VITAS' alleged failure to appropriately bill Medicare and Medicaid for hospice services. As part of this investigation, the OIG selected medical records for 320 past and current patients from VITAS' three largest programs for review. It also sought policies and procedures from 1998 to present covering admissions, certifications, recertifications, and discharges.

The OIG has not disclosed the origin of the subpoenas or investigation. We are unable to predict the outcome of the investigation or the impact, if any, that the investigation may have on the business, results of operations, liquidity or capital resources. Regardless of outcome, responding to the subpoenas can adversely affect the Company through defense costs, diversion of management's time and related publicity.

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 certification of a class of customers in 32 states who allegedly paid for plumbing work performed by unlicensed employees. Plaintiff also moved for partial summary judgment on grounds the licensed apprentice plumber who installed his faucet did not work under the direct personal supervision of a licensed master plumber. On June 19, 2002, the trial judge certified an Illinois-only plaintiffs class and granted summary judgment for the named party Plaintiff on the issue of liability, finding violation of the Illinois Plumbing License Act and the Illinois Consumer Fraud Act through Roto-Rooter's representation of the licensed apprentice as a plumber. The court has not yet ruled on certification of a class in the remaining 31 states. In December 2004, the Company reached a tentative resolution of this matter with the plaintiff. This proposed settlement has not yet been finalized by the parties nor approved by the court. Nonetheless, the Company, in anticipation of such approval, accrued $3.1 million in the fourth quarter of 2004 as the anticipated cost of settling this litigation.

VITAS is party to a class action lawsuit filed in the Superior Court of California, Los Angeles County, in April of 2004 by Ann Marie Costa, Ana Jimenez, Maria Ruteaya and Gracetta Wilson alleging failure to pay overtime wages and to provide meal and break periods to California nurses, home health aides and licensed clinical social workers. The Company contests these allegations and believes them without merit. Due to the complex legal and other issues involved, it is not presently possible to estimate the amount of liability, if any, related to this case. Management cannot provide assurance the Company will ultimately prevail in it. Regardless of outcome, such litigation can adversely affect the Company through defense costs, diversion of management's time, and related publicity.

Results of Operations

Second Quarter 2005 versus Second Quarter 2004-Consolidated Results

The Company's service revenues and sales for the second quarter of 2005 increased 14% versus revenues for the second quarter of 2004. Of this increase, $23,508,000 was attributable to VITAS and $3,666,000 was attributable to Roto-Rooter (dollar amounts in thousands):

	Increase/(Decrease)	
	Amount	Percent
VITAS		
Routine Care	$17,641	19.8%
Continuous Care	3,369	14.9
Other	2,498	13.4

Roto-Rooter		
Plumbing	2,161	8.0
Drain Cleaning	459	1.7
Other	1,046	7.3
Total	$27,174	13.6%

The increase in VITAS' revenues for the second quarter of 2005 versus the second quarter of 2004 is attributable to increases in average daily census ("ADC") of 16.2%, 9.0% and 10.0%, respectively, for routine care, continuous care and other services. The remainder of the revenue increases is due primarily to the increase in reimbursement rates. Approximately 96% of VITAS' revenues for the period was from Medicare and Medicaid.

Excluding divested locations, the increase in the plumbing revenues for the second quarter of 2005 versus 2004 comprises a 9.3% increase in the number of jobs performed and a .5% decline in the average price per job. On the same basis, the increase in drain cleaning revenues for the second quarter of 2005 versus 2004 comprised a 3.3% decline in the number of jobs and a 5.8% increase in the average price per job. The increase in other revenues for the second quarter of 2005 versus 2004 is attributable primarily to increases in independent contractor operations and other services.

The consolidated gross margin was 28.8% in the second quarter of 2005 as compared with 29.7% in the second quarter of 2004, due to VITAS' making up a larger portion of the Company's revenues and gross profit in 2005 than in 2004. In the second quarter of 2005 VITAS accounted for 68% of total revenues and 50% of total gross profit. For the 2004 quarter these percentages were 65% and 48%, respectively. Thus, VITAS' lower gross profit margin (versus Roto-Rooter's) had a more significant impact on overall margins in 2005. On a segment basis, VITAS' gross margin was 21.4% in the second quarter of 2005 and 21.8% in the second quarter of 2004. The Roto-Rooter segment's gross margin was 44.5% in the 2005 second quarter and 44.4% in the second quarter of 2004.

Selling, general and administrative expenses ("SG&A") for the second quarter of 2005 were $36,802,000, an increase of $2,326,000 (6.7%) versus the second quarter of 2004. The increase is largely due to higher revenues by both segments during the second quarter of 2005 verus 2004.

Other expenses for the second quarter of 2005 totaled $1,166,000 versus a credit of $1,368,000 in 2004. The 2005 charges include $1,837,000 of expenses for expenses of the long-term incentive program ("LTIP") and a credit of $671,000 for an adjustment to Company's shares expenses of the 2004 acquisition of VITAS. The credit for 2004 represents an adjustment to the Company's share of expenses of the 2004 acquisition of VITAS incurred by VITAS when it was a 37% equity investee of the Company.

Income from operations increased $1,299,000 from $20,763,000 in the second quarter of 2004 to $22,062,000 in the second quarter of 2005. The increase is attributable primarily to higher income from operations of VITAS ($2,704,000) and Roto-Rooter ($396,000) partially offset by a higher operating loss for Corporate ($1,801,000). The higher operating loss at Corporate is attributable to higher other expenses in the second quarter of 2005 verus 2004 (an increase of $1,643,000). This increase is due to higher LTIP expenses ($946,000) and a lower credit for the adjustment to transaction-related expenses of the VITAS acquisition ($697,000).

Interest expense, substantially all of which is incurred at Corporate, declined from $6,204,000 in the second quarter of 2004 to $5,039,000 in the 2005 quarter. This decline is due primarily to the reduction in debt outstanding that occurred in February 2005 when we refinanced a significant portion of our debt. Other income-net increased from $149,000 in the second quarter of 2004 to $600,000 in the second quarter of 2005. The increase is attributable primarily to $208,000 lower losses from market valuation adjustments on trading investments of employee benefit trusts in 2005 versus 2004 and to higher gains on other investments held in employee benefit trusts in 2005 ($354,000). These gains and market valuation adjustments are entirely offset by expenses in the SG&A category of the statement of income.

Our effective income tax rate declined from 43.4% in the second quarter of 2004 to 37.0% in the second quarter of 2005. This reduction is due primarily to a lower effective state and local income tax rate due primarily to revised tax planning strategies implemented in the third quarter of 2004.

Income from continuing operations increased from $8,327,000 ($.34 per share and $.33 per diluted share) for the second quarter of 2004 to $11,111,000 ($.44 per share and $.42 per diluted share) for the second quarter of 2005. Net income increased from $8,318,000 ($.34 per share and $.33 per diluted share) for the second quarter of 2004 to income of $8,885,000 ($.35 per share and $.34 per diluted share). Income from continuing operations and net income for both periods included the following aftertax special items/adjustments that increased/(reduced) aftertax earnings (in thousands):

	For the Three Months Ended June 30, 2005	2004
Compensation expense of the LTIP	$(1,152)	$ --
Adjustments to transaction-related costs of the VITAS acquisition	671	821
OIG investigation-related expenses (VITAS)	(160)	--
Total aftertax impact on earnings	$ (641)	$ 821

In addition, net income for the second quarter of 2005 includes a loss of $2,226,000 (2004-$9,000) from discontinued operations.

Second quarter 2005 versus Second quarter 2004-Segment Results

The change in aftertax earnings for the second quarter of 2005 versus the second quarter of 2004 is due to (in thousands):

	Increase/ (Decrease)
Higher aftertax earnings of VITAS in 2005	$ 2,242
Higher aftertax earnings of Roto-Rooter in 2005	526
Higher loss on discontinued operations in 2005	(2,217)
All other	16
Increase in net income in 2005	$ 567

The higher aftertax earnings of VITAS and Roto-Rooter in the second quarter of 2005 are due to revenue increases of 18.0% and 5.3%, respectively. The higher loss for discontinued operations in the second quarter of 2005 is primarily attributable to the sale of Service America in May 2005 and finalizing adjustments to income taxes, assets and other liabilities.

First Six Months of 2005 versus First Six Months of 2004-
Consolidated Results

The Company's service revenues and sales for the first six months of 2005 increased 39% versus revenues for the first six months of 2004. This $125.5 million increase largely was attributable to the acquisition of VITAS on February 24, 2004 and to the following (dollar amounts in thousands):

	Increase/(Decrease) Amount	Percent
VITAS		
Increase in first quarter 2005 revenues due to only recognizing a partial quarter's revenues in 2004 (VITAS was acquired on February 24, 2004)	$94,878	185.6%
Increase in second quarter 2005 revenues due primarily to higher ADC in 2005 versus 2004	23,508	18.0
Roto-Rooter		
Plumbing	4,280	8.1
Drain Cleaning	930	1.6
Other	1,875	6.6
Total	$125,471	39.3%

VITAS' revenues for the first six months of 2005 included revenues from the following sources (in thousands):

Routine home care	$207,482
Continuous home care	50,277
General inpatient care and other	41,979
Total	$299,738

========

17

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

Excluding divested locations, the increase in plumbing revenues for the first six months of 2005 versus 2004 comprises a 4.9% increase in the number of jobs performed and a 4.0% increase in the average price per job. The increase in drain cleaning revenues for the first six months of 2005 versus 2004 comprised a 2.5% decline in the number of jobs and a 5.0% increase in the average price per job. The increase in other revenues for the first six months of 2005 versus 2004 is attributable primarily to increases in independent contractor operations and other services.

The consolidated gross margin was 29.4% in the first six months of 2005 as compared with 31.5% in the first six months of 2004, largely due to the acquisition of VITAS on February 24, 2004. In 2004 VITAS accounted for 57% of total revenues and 39% of total gross profit. For the first six months of 2005 these percentages were 67% and 49%, respectively. Thus, VITAS' lower gross profit margin (versus Roto-Rooter's) had a more significant impact on overall margins in 2005. On a segment basis, VITAS' gross margin was 21.2% in the first six months of 2005 and 21.6% in the first six months of 2004. The Roto-Rooter segment's gross margin increased 1.8% points to 46.3%, largely due to a favorable adjustment to the casualty insurance accruals related to prior periods' experience and to lower training wages as a percentage of revenues, in the first six months of 2005 versus 2004.

Selling, general and administrative expenses ("SG&A") for the first six months of 2005 were $73,397,000, an increase of $10,709,000 (17.1%) versus the first six months of 2004. Almost all of the increase was attributable to the increased SG&A of the VITAS segment, acquired February 24, 2004. Similarly, the $690,000 increase in depreciation expense and $865,000 increase in amortization expense for the first six months of 2005 versus the first six months of 2004 are primarily due to the VITAS segment.

Other expenses for the first six months declined $4,925,000 from $7,415,000 in 2004 to $2,490,000 in 2005 due primarily to lower expenses of the long-term incentive program ("LTIP") in 2005 versus 2004.

Income from operations increased $22,979,000 from $21,737,000 in the first six months of 2004 to $44,716,000 in the first six months of 2005. The increase comprises (in thousands):

	Increase/ (Decrease)
Higher income from operations of VITAS (acquired February 24, 2004)	$ 12,788
Higher income from operations of Roto-Rooter	5,770
Lower operating loss for Corporate	4,421
Total	$ 22,979

The lower operating loss for Corporate is attributable primarily to lower other expenses (largely LTIP costs) in 2005 versus 2004.

Interest expense, substantially all of which is incurred at Corporate, increased from $9,104,000 in the first six months of 2004 to $10,874,000 in the 2005 period. This increase is due primarily to having the acquisition-related debt outstanding for the entire first quarter of 2005 versus only 37 days during the first quarter of 2004. This increase is partially offset by the February 2005 refinancing which reduced debt outstanding.

Other income-net declined from $1,628,000 in the first six months of 2004 to $1,327,000 in the first six months of 2005. The decline is attributable primarily to $701,000 lower market valuation adjustments on trading investments of employee benefit trusts in 2005 versus 2004. This reduction is partially offset by $354,000 gains recorded from other investments of the employee benefit trusts. These market valuation adjustments and investments gains are entirely offset by expenses of deferred compensation liabilities in the SG&A category of the statement of income.

Our effective income tax rate declined from 52.6% in the first six months of 2004 to 39.0% in the first six months of 2005. The effective income tax rate was significantly higher in the first six months of 2004 due to higher corporate expenses for which no state tax benefit was recorded.

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 first one month and 23 days of 2004, VITAS recorded a net loss due to significant transaction-related expenses on the sale of its business to Chemed.

Income from continuing operations increased from $1,071,000 ($.05 per share) for the first six months of 2004 to $19,016,000 ($.75 per share and $.73 per diluted share) for the first six months of 2005. Net income increased from $1,208,000 ($.05 per share) for the first six months of 2004 to $17,001,000 ($.67 per share and $.65 per diluted share). Income from continuing operations and net income for both periods included the following aftertax special items/adjustments that increased/(reduced) aftertax earnings (in thousands):

	For the Six Months Ended June 30,	
	2005	2004
Loss on extinguishment of debt	$ (2,523)	$ (2,164)
Compensation expense of the LTIP	(1,847)	(5,723)
Favorable adjustment to casualty insurance accruals related to prior years' experience	1,014	--
Adjustments to transaction-related costs of the VITAS acquisition	671	821
OIG investigation-related expenses (VITAS)	(160)	--
Cost of accelerating vesting of stock options	(137)	--
Equity in loss of VITAS in 2004	--	(4,105)
Total aftertax impact on earnings	$ (2,982)	$(11,171)

In addition, net income for the first six months of 2005 includes a loss from discontinued operations of $2,015,000 (2004-income of $137,000) related to Service America, discontinued in 2004.

First six months 2005 versus First six months 2004-Segment Results

The change in aftertax earnings for the first six months of 2005 versus the first six months of 2004 is due to (in thousands):

	Increase/ (Decrease)
Higher earnings of VITAS, acquired February 24, 2004	$ 9,014
Inclusion of the equity in the loss of VITAS in the results for 2004	4,105
Higher earnings of the Roto-Rooter segment in 2005	3,433
Loss on discontinued operations in 2005 verus income in 2004	(2,152)
All other	1,393
Increase in net income in 2005	$ 15,793

The higher aftertax earnings of VITAS is due to the inclusion of 100% of VITAS' earnings for the entire first six months of 2005 versus only 127 days' earnings in the first six months of 2004. The higher aftertax earnings of Roto-Rooter in the first six months of 2005 versus 2004 were primarily driven by a 5.1% increase in total revenues. The loss for discontinued operations in the first six months of 2005 is primarily attributable to the sale of Service America in May 2005 and finalizing adjustments to income taxes, assets and other liabilities.

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

	2004		2005	
	Second Quarter	Year-to-Date June	Second Quarter	Year-to-Date June
OPERATING STATISTICS				
Net revenue				
Homecare	$ 88,967	$ 171,949	$ 106,610	$ 207,482
Inpatient	18,634	37,412	21,131	41,979
Continuous care	22,639	44,861	26,007	50,277
Total	$ 130,240	$ 254,222	$ 153,748	$ 299,738
Net revenue as a percent of total				
Homecare	68.3%	67.7%	69.4%	69.2%
Inpatient	14.3	14.7	13.7	14.0
Continuous care	17.4	17.6	16.9	16.8
Total	100.0%	100.0%	100.0%	100.0%
Average daily census ("ADC") (days)				
Homecare	4,709	4,525	5,750	5,589
Nursing home	3,048	2,991	3,260	3,230
Routine homecare	7,757	7,516	9,010	8,819
Inpatient	369	371	406	405
Continuous care	456	452	497	495
Total	8,582	8,339	9,913	9,719
Total Admissions	11,473	23,709	12,646	25,594
Average length of stay (days)	59.9	57.8	66.8(a)	66.4
Median length of stay (days)	12.0	11.5	12.0	11.5
ADC by major diagnosis				
Neurological	31.0%	30.9%	32.0%	31.4%
Cancer	23.3	23.5	21.4	22.3
Cardio	14.3	14.2	15.2	14.8
Respiratory	7.4	7.4	7.2	7.2
Other	24.0	24.0	24.2	24.3
Total	100.0%	100.0%	100.0%	100.0%
Admissions by major diagnosis				
Neurological	18.4%	19.1%	18.7%	19.2%
Cancer	37.2	36.3	36.6	35.5
Cardio	13.2	13.3	13.8	14.0
Respiratory	7.3	7.7	6.9	7.6
Other	23.9	23.6	24.0	23.7
Total	100.0%	100.0%	100.0%	100.0%
Direct patient care margins (b)				
Routine homecare	49.9%	49.3%	49.4%	49.6%
Inpatient	25.9	26.5	23.0	22.9
Continuous care	19.0	19.1	19.5	18.5
Homecare margin drivers (dollars per patient day)				
Labor costs	$ 41.53	$ 42.74	$ 46.01	$ 45.86
Drug costs	9.24	8.95	7.94	7.72
Home medical equipment	5.80	5.76	5.53	5.50
Medical supplies	1.91	1.92	2.14	2.15
Inpatient margin drivers (dollars per patient day)				
Labor costs	$ 202.08	$ 200.15	$ 240.76	$ 239.55
Continuous care margin drivers (dollars per patient day)				
Labor costs	$ 421.84	$ 421.79	$ 443.83	$ 438.56
Bad debt expense as a percent of revenues	1.1%	1.2%	0.9%	0.9%
Accounts receivable -- days of revenue outstanding	35.1	N/A	43.8	N/A

(a) VITAS has six large (greater than 450 ADC), 14 medium (greater than 200 but less than 450 ADC) and 19 small (less than 200 ADC) hospice programs. Only one program had an average length of stay in excess of 100 days. The average length of stay for all discharged patients by program, ranged from a low of 11.7 days to a high of 163.3 days for the second quarter of 2005.

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

	2004			2005	
	First Quarter				
	January 1 to February 23	February 24 to March 31 (a)	Second Quarter	Second Quarter	Year-to-date to June
STATEMENT OF OPERATIONS					
Service revenues and sales	$ 72,870	$ 51,112	$130,240	153,748	$ 299,738
Cost of services provided (excluding depreciation)	58,848	40,486	101,790	120,854	236,074
Selling, general and administrative expenses	8,182	5,060	12,319	13,590	26,714
Depreciation	836	748	1,861	1,770	3,555
Amortization	4	331	1,010	984	1,979
Other expense	24,956(b)	--	--	588	881
Total costs and expenses	92,826	46,625	116,980	137,786	269,203
Income/(loss) from operations	(19,956)	4,487	13,260	15,962	30,535
Interest expense	(919)	(28)	(30)	(33)	(71)
Loss on extinguishment of debt	(4,497)(b)	--	--	--	--
Other income--net	41	31	176	695	1,312
Income/(loss) before income taxes	(25,331)	4,490	13,406	16,624	31,776
Income taxes	6,996	(1,893)	(5,499)	(6,475)	(12,258)
Net income/(loss)	$ (18,335)	$ 2,597	$ 7,907	$ 10,149	$ 19,518
EBITDA (c)					
Net income/(loss)	$ (18,335)	$ 2,597	$ 7,907	$ 10,149	$ 19,518
Add/(deduct)					
Interest expense	919	28	30	33	71
Income taxes	(6,996)	1,893	5,499	6,475	12,258
Depreciation	836	748	1,861	1,770	3,555
Amortization	4	331	1,010	984	1,979
EBITDA	$ (23,572)	$ 5,597	$ 16,307	$ 19,411	$ 37,381

(a) We acquired VITAS on February 24, 2004 and recorded estimated purchase accounting adjustments to the value of VITAS' assets as of that date.

(b) Costs related to the sale of VITAS totaled $29,453,000 pretax ($20,930,000 aftertax) for January 1 through February 23, 2004.

(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 EBITDA is an important supplemental measure of operating performance because it provides investors with an indication of our performance independent of our debt and equity structure and related costs. We also believe 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 an alternative for net income, income from operations, net cash provided by operating activities or other financial information determined under GAAP, and should not be considered as a measure of profitability or liquidity. We believe the line on the 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):

	2004			2005	
	First Quarter				
	January 1 to February 23	February 24 to March 31 (a)	Second Quarter	Second Quarter	Year-to-date to June

Interest income	$ 41	$ 31	$ 196	$ 714	$ 1,349
Loss on extinguishment of debt	4,497	--	--	--	--
Costs related to sale of business	24,956	--	--	--	--

Recent Accounting Statements

In December 2004, the FASB issued SFAS No. 123 (revised 2004)"Share-Based Payment" ("SFAS No. 123R"), which requires companies to recognize in the income statement the grant-date fair value of stock options and other equity-based compensation issued to employees and disallows the use of the intrinsic value method of accounting for stock options, but expresses no preference for a type of valuation model. This statement supersedes APB No. 25, but does not change the accounting guidance for share-based payment transactions with parties other than employees provided in SFAS No. 123 as originally issued. Based on recent action by the SEC, SFAS No. 123R will be effective as of the beginning of the Company's next fiscal year (January 1, 2006). We are evaluating our stock incentive programs and most likely will significantly reduce the number of stock options granted after December 31, 2005. In March 2005, the Board of Directors approved immediate vesting of all unvested stock options to avoid recognizing approximately $951,000 of pretax expense that would have been charged to income under SFAS No. 123R during the five quarters beginning on January 1, 2006. The $215,000 pretax cost of accelerating the vesting of these options is included in the determination of income from continuing operations for first quarter of 2005. As a result, we do not expect the implementation of SFAS No. 123R in the first quarter of 2006 to have a significant impact on our financial condition, results of operations or cash flows.

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 Risk

Chemed's primary market risk exposure relates to interest rate risk exposure through its variable interest rate borrowings. At June 30, 2005, we had a total of $84.8 million of variable rate debt outstanding. Should the interest rate on this debt increase 100 basis points, our annual interest expense would increase $848,000. The quoted market value of our 8.75% fixed rate senior notes on July 31, 2005 is $160.5 million(carrying value is $150 million). We estimate that the fair value of the remainder of our long-term debt approximates its book value at June 30, 2005 ($85.7 million).

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 six months of 2005.

PART II OTHER INFORMATION

Item 4. Submission of matters to a vote of security holders:

a. The Company held its annual meeting of stockholders on May 16, 2005.

b. The names of directors elected at this annual meeting are as follows:

Edward L. Hutton	Walter L. Krebs
Kevin J. McNamara	Sandra E. Laney
Donald Breen, Jr.	Timothy S. O'Toole
Charles H. Erhart, Jr.	Donald E. Saunders
Joel F. Gemunder	George J. Walsh
Patrick P. Grace	Frank E. Wood
Thomas C. Hutton	

c. The stockholders ratified the selection by the Board of Directors of PricewaterhouseCoopers LLP as independent accountants for the Company and its consolidated subsidiaries for the year 2005: 11,143,681 votes were cast in favor of the proposal, 442,541 votes were cast against it, 28,258 votes abstained, and there were no broker non-votes.

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

	For	Withheld
Edward L. Hutton	10,080,801	1,533,679
Kevin J. McNamara	10,262,597	1,351,882
Donald Breen, Jr.	10,708,394	906,086
Charles H. Erhart, Jr.	10,142,106	1,472,374
Joel F. Gemunder	10,052,706	1,561,774
Patrick P. Grace	11,044,626	569,854
Thomas C. Hutton	10,087,026	1,527,453
Walter L. Krebs	10,470,560	1,143,920
Sandra E. Laney	9,877,589	1,736,891
Timothy S. O'Toole	10,092,736	1,521,744
Donald E. Saunders	10,371,878	1,242,602
George J. Walsh, III	10,160,816	1,453,664
Frank E. Wood	11,077,449	537,030

Item 6. Exhibits

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

SIGNATURES

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

Chemed Corporation
(Registrant)

Dated: August 9, 2005

By: Kevin J. McNamara

Kevin J. McNamara
(President and Chief Executive Officer)

Dated: August 9, 2005

By: David P. Williams

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

Dated: August 9, 2005

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: August 9, 2005

/s/ Kevin J. McNamara

Kevin J. McNamara
(President and Chief
Executive Officer)

EXHIBIT 31.2

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

I, David P. Williams, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 9, 2005 /s/ 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: August 9, 2005

/s/ Arthur V. Tucker, Jr.

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

EXHIBIT 32.1

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

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

1) the Company's Quarterly Report of Form 10-Q for the quarter ending June 30, 2005 ("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: August 9, 2005

/s/ Kevin J. McNamara

Kevin J. McNamara
(President and Chief
Executive Officer)

EXHIBIT 32.2

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

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

1) the Company's Quarterly Report of Form 10-Q for the quarter ending June 30, 2005 ("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: August 9, 2005

By : /s/ David P. Williams

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

EXHIBIT 32.3

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

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

1) the Company's Quarterly Report of Form 10-Q for the quarter ending June 30, 2005 ("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: August 9, 2005 By: /s/ Arthur V. Tucker, Jr.

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