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

(Mark One)

☒ Quarterly Report Under Section 13 or 15 (d) of the Securities Exchange Act of 1934 For the Quarterly Period Ended March 31, 2015

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 1-8351

CHEMED CORPORATION
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	31-0791746 (IRS Employer Identification No.)
255 E. Fifth Street, Suite 2600, Cincinnati, Ohio (Address of principal executive offices)	45202 (Zip code)

(513) 762-6690
(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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ 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	17,077,227 Shares	March 31, 2015

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

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

	March 31, 2015	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	$ 28,335	$ 14,132
Accounts receivable less allowances of $16,406 (2014 - $14,728)	145,757	124,607
Inventories	6,166	6,168
Current deferred income taxes	16,926	15,414
Prepaid income taxes	1,279	2,787
Prepaid expenses	10,023	11,456
Total current assets	208,486	174,564
Investments of deferred compensation plans	52,075	49,147
Properties and equipment, at cost, less accumulated depreciation of $183,726 (2014 - $185,735)	104,796	105,336
Identifiable intangible assets less accumulated amortization of $32,896 (2014 - $32,772)	55,901	56,027
Goodwill	466,576	466,722
Other assets	7,843	8,136
Total Assets	$ 895,677	$ 859,932
LIABILITIES		
Current liabilities		
Accounts payable	$ 43,618	$ 46,849
Current portion of long-term debt	6,875	6,250
Income taxes	13,033	5,818
Accrued insurance	42,498	40,814
Accrued compensation	43,578	50,718
Accrued legal	1,115	753
Other current liabilities	20,853	24,352
Total current liabilities	171,570	175,554
Deferred income taxes	28,794	29,945
Long-term debt	154,375	141,250
Deferred compensation liabilities	51,407	48,684
Other liabilities	12,989	13,143
Total Liabilities	419,135	408,576
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Capital stock - authorized 80,000,000 shares $1 par; issued 33,516,044 shares (2014 - 33,337,297 shares)	33,516	33,337
Paid-in capital	553,565	538,845
Retained earnings	791,970	771,176
Treasury stock - 16,538,355 shares (2014 - 16,446,572)	(904,825)	(894,285)
Deferred compensation payable in Company stock	2,316	2,283
Total Stockholders' Equity	476,542	451,356
Total Liabilities and Stockholders' Equity	$ 895,677	$ 859,932

See accompanying notes to unaudited consolidated financial statements.

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

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Service revenues and sales	$ 376,652	$ 358,300
Cost of services provided and goods sold (excluding depreciation)	268,885	257,819
Selling, general and administrative expenses	58,588	55,671
Depreciation	8,032	7,149
Amortization	576	1,009
Total costs and expenses	336,081	321,648
Income from operations	40,571	36,652
Interest expense	(969)	(3,815)
Other income - net	563	816
Income before income taxes	40,165	33,653
Income taxes	(15,628)	(13,079)
Net income	$ 24,537	$ 20,574
Earnings Per Share		
Net income	$ 1.45	$ 1.17
Average number of shares outstanding	16,914	17,510
Diluted Earnings Per Share		
Net income	$ 1.40	$ 1.12
Average number of shares outstanding	17,466	18,305
Cash Dividends Per Share	$ 0.22	$ 0.20

See accompanying notes to unaudited consolidated financial statements.

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

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Cash Flows from Operating Activities		
Net income	$ 24,537	$ 20,574
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,608	8,158
Deferred income taxes	(2,734)	6,841
Provision for uncollectible accounts receivable	3,804	3,304
Amortization of discount on convertible notes	-	2,261
Stock option expense	1,444	1,309
Amortization of debt issuance costs	131	337
Noncash long-term incentive compensation	934	373
Changes in operating assets and liabilities, excluding amounts acquired in business combinations:		
Increase in accounts receivable	(24,926)	(27,700)
Decrease in inventories	2	27
Decrease/(increase) in prepaid expenses	1,433	(1,112)
Decrease in accounts payable and other current liabilities	(9,538)	(32,561)
Increase in income taxes	11,696	5,322
Increase in other assets	(2,815)	(1,069)
Increase in other liabilities	2,569	3,080
Excess tax benefit on share-based compensation	(2,900)	(1,399)
Other sources	129	409
Net cash provided/(used) by operating activities	12,374	(11,846)
Cash Flows from Investing Activities		
Capital expenditures	(8,553)	(8,131)
Business combinations, net of cash acquired	-	(250)
Other sources	351	29
Net cash used by investing activities	(8,202)	(8,352)
Cash Flows from Financing Activities		
Proceeds from long-term debt	37,200	-
Payment on long-term debt	(23,450)	-
Purchases of treasury stock	-	(32,982)
Dividends paid	(3,743)	(3,303)
Capital stock surrendered to pay taxes on stock-based compensation	(5,464)	(2,916)
Proceeds from exercise of stock options	4,899	13,193
Excess tax benefit on share-based compensation	2,900	1,399
Increase/(decrease) in cash overdrafts payable	(1,528)	369
Other uses	(783)	(501)
Net cash provided/(used) by financing activities	10,031	(24,741)
Increase/(Decrease) in Cash and Cash Equivalents	14,203	(44,939)
Cash and cash equivalents at beginning of year	14,132	84,418
Cash and cash equivalents at end of period	$ 28,335	$ 39,479

See accompanying notes to unaudited consolidated financial statements.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
Notes to Unaudited Consolidated 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 ("GAAP") for complete financial statements. The December 31, 2014 balance sheet data were derived from audited financial statements but do not include all disclosures required by GAAP. However, in our opinion, the financial statements presented herein contain all adjustments, consisting only of normal recurring adjustments, necessary to state fairly our financial position, results of operations and cash flows. These financial statements are prepared on the same basis as and should be read in conjunction with the audited Consolidated Financial Statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2014.

2. Revenue Recognition

Both the VITAS segment and the Roto-Rooter segment recognize service revenues and sales when the earnings process has been completed. Generally, this occurs when services are provided or products are delivered. VITAS recognizes revenue at the estimated realizable amount due from third-party payers. Medicare payments are subject to certain limitations, as described below.

We actively monitor each of our hospice programs, by provider number, as to their specific admission, discharge rate and median 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 revenues for a program are 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 prevent that program from exceeding its Medicare cap, we estimate the amount of revenue recognized during the period that will require repayment to the Federal government under the Medicare cap and record the amount as a reduction to patient revenue.

During the first quarter of 2015, we recorded a $165,000 Medicare cap reversal of amounts recorded in the fourth quarter of 2014 for one program's projected 2015 measurement period liability.

Shown below is the Medicare cap liability activity for the fiscal periods ended (in thousands):

	March 31, 2015	March 31, 2014
Beginning balance January 1,	$ 6,112	$ 8,260
2015 measurement period	(165)	-
2014 measurement period	-	(847)
Payments	(4,566)	-
Ending balance March 31,	$ 1,381	$ 7,413

Vitas provides charity care, in certain circumstances, to patients without charge when management of the hospice program determines, at the time services are performed, that the patient does not have the financial wherewithal to make payment. There is no revenue or associated accounts receivable in the accompanying consolidated financial statements related to charity care. The cost of charity care is calculated by taking the ratio of charity care days to total days of care and multiplying by total cost of care. The cost of charity care is as follows (in thousands):

Three months ended March 31, 2015	Three months ended March 31, 2014
$ 1,974	$ 1,699

3. Segments

Service revenues and sales and after-tax earnings by business segment are as follows (in thousands):

	Three months ended March 31, 2015	Three months ended March 31, 2014
Service Revenues and Sales		
VITAS	$ 269,613	$ 260,412
Roto-Rooter	107,039	97,888
Total	$ 376,652	$ 358,300
After-tax Earnings		
VITAS	$ 19,315	$ 18,159
Roto-Rooter	12,008	10,033
Total	31,323	28,192
Corporate	(6,786)	(7,618)
Net income	$ 24,537	$ 20,574

We report corporate administrative expenses and unallocated investing and financing income and expense not directly related to either segment as "Corporate".

4. Earnings per Share

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

For the Three Months Ended March 31,	Net Income: Income	Net Income: Shares	Net Income: Earnings per Share
2015			
Earnings	$ 24,537	16,914	$ 1.45
Dilutive stock options	-	397	
Nonvested stock awards	-	155	
Diluted earnings	$ 24,537	17,466	$ 1.40
2014			
Earnings	$ 20,574	17,510	$ 1.17
Dilutive stock options	-	362	
Nonvested stock awards	-	148	
Conversion of notes	-	285	
Diluted earnings	$ 20,574	18,305	$ 1.12

For the three month period ended March 31, 2015 411,000 stock options were excluded from the computation of diluted earnings per share because they would have been anti-dilutive. For the three month period ended March 31, 2014 329,000 stock options were excluded from the computation of diluted earnings per share because they would have been anti-dilutive.

For the first three months of 2014 diluted earnings per share was impacted by the issuance of 285,000 shares of capital stock under the conversion feature of our 1.875% Senior Convertible Notes (the "Notes") on the May 15, 2014 maturity date.

5. Long-Term Debt

On June 30, 2014, we replaced our existing credit agreement with the Third Amended and Restated Credit Agreement ("2014 Credit Agreement"). Terms of the 2014 Credit Agreement consist of a five-year, $350 million revolving credit facility and a $100 million term loan. The 2014 Credit Agreement has a floating interest rate that is currently LIBOR plus 113 basis points.

The debt outstanding as of March 31, 2015 consists of the following:

Revolver	$	65,000
Term loan		96,250
Total		161,250
Current portion of term and revolving loan		(6,875)
Long-term debt	$	154,375

Scheduled principal payments of the term loan are as follows:

2015	$	5,000
2016		7,500
2017		8,750
2018		10,000
2019		65,000
	$	96,250

The 2014 Credit Agreement contains the following quarterly financial covenants:

Description	Requirement
Leverage Ratio (Consolidated Indebtedness/Consolidated Adj. EBITDA)	< 3.50 to 1.00
Fixed Charge Coverage Ratio (Consolidated Free Cash Flow/Consolidated Fixed Charges)	> 1.50 to 1.00
Annual Operating Lease Commitment	< $50.0 million

We are in compliance with all debt covenants as of March 31, 2015. We have issued $36.6 million in standby letters of credit as of March 31, 2015 for insurance purposes. Issued letters of credit reduce our available credit under the 2014 Credit Agreement. As of March 31, 2015, we have approximately $248.4 million of unused lines of credit available and eligible to be drawn down under our revolving credit facility.

6. Other Income – Net

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

	Three months ended March 31,			
	2015		**2014**	
Market value gains on assets held in deferred compensation trust	$	950	$	1,162
Gain/(loss) on disposal of property and equipment		48		(278)
Interest income - net		44		(50)
Other - net		(479)		(18)
Total other income - net	$	563	$	816

7. Stock-Based Compensation Plans

On February 20, 2015, the Compensation/Incentive Committee of the Board of Directors ("CIC") granted 10,761 Performance Stock Units ("PSUs") contingent upon the achievement of certain total shareholders return ("TSR") targets as compared to the TSR of a group of peer companies for the three-year period ending December 31, 2017, the date at which such awards vest. The cumulative compensation cost of the TSR-based PSU award to be recorded over the three year service period is $1.5 million.

On February 20, 2015, the CIC also granted 10,761 PSUs contingent upon the achievement of certain earnings per share ("EPS") targets for the three-year period ending December 31, 2017. At the end of each reporting period, the Company estimates the number of shares that it believes will ultimately be earned and records that expense over the service period of the award. We currently estimate the cumulative compensation cost of the EPS-based PSUs to be recorded over the three year service period is $1.2 million.

8. Independent Contractor Operations

The Roto-Rooter segment sublicenses with 68 independent contractors to operate certain plumbing repair and drain cleaning businesses in lesser-populated areas of the United States and Canada. We had notes receivable from our independent contractors as of March 31, 2015 totaling $1.4 million (December 31, 2014 - $1.6 million). In most cases these loans are fully or partially secured by equipment owned by the contractor. The interest rates on the loans range from 0% to 7% per annum and the remaining terms of the loans range from 2 months to 5 years at March 31, 2015. We recorded the following from our independent contractors (in thousands):

	Three months ended March 31,	
	2015	2014
Revenues	$ 9,464	$ 9,023
Pretax profits	5,557	5,159

9. Retirement Plans

All of the Company's plans that provide retirement and similar benefits are defined contribution plans. These expenses include the impact of market gains and losses on assets held in deferred compensation plans. Expenses for the Company's pension and profit-sharing plans, excess benefit plans and other similar plans are as follows (in thousands):

Three months ended March 31,	
2015	2014
$ 4,186	$ 3,897

10. Legal and Regulatory Matters

The VITAS segment of the Company's business operates in a heavily-regulated industry. As a result, the Company is subjected to inquiries and investigations by various government agencies, as well as to lawsuits, including *qui tam* actions. The following sections describe the various ongoing material lawsuits and investigations of which the Company is currently aware. It is not possible at this time for us to estimate either the timing or outcome of any of those matters, or whether any potential loss, or range of potential losses, is probable or estimable.

Regulatory Matters and Litigation

In June 2011, the U.S. Attorney provided the Company with a partially unsealed *qui tam* complaint filed under seal in the U.S. District Court for the Western District of Texas, *United States, et al. ex rel. Urick v. VITAS HME Solutions, Inc. et al.*, 5:08-cv-0663 ("*Urick*"). The U.S. Attorney filed a notice in May 2012 stating that it had decided not to intervene in the case at that time but indicating that it continues to investigate the allegations. In June 2012, the complaint was unsealed. The complaint asserts violations of the federal False Claims Act and the Texas Medicaid Fraud Prevention Act based on allegations of a conspiracy to submit to Medicare and Medicaid false claims involving hospice services for ineligible patients, unnecessary medical supplies, failing to satisfy certain prerequisites for payment, and altering patient records, including backdating patient revocations. The suit was brought by Barbara Urick, a then registered nurse in VITAS's San Antonio program, against VITAS, certain of its affiliates, and several former VITAS employees, including physicians Justo Cisneros and Antonio Cavasos and nurses Sally Schwenk, Diane Anest, and Edith Reed. In September 2012 and July 2013, the plaintiff dismissed all claims against the individual defendants. The complaint was served on the VITAS entities on April 12, 2013.

Also in June 2011, the U.S. Attorney provided the Company with a partially unsealed *qui tam* complaint filed under seal in the U.S. District Court for the Northern District of Illinois, *United States, et al. ex rel. Spottiswood v. Chemed Corp.*, 1:07-cv-4566 ("*Spottiswood*"). In April 2012, the complaint was unsealed. The U.S. Attorney and Attorney General for the State of Illinois filed notices in April and May 2012, respectively, stating that they had decided not to intervene in the case at that time but indicating that they continue to investigate the allegations. Plaintiff filed an amended complaint in November 2012. The complaint asserts violations of the federal False Claims Act and the Illinois Whistleblower Reward and Protection Act based on allegations that VITAS fraudulently billed Medicare and Medicaid for providing unwarranted continuous care services. The suit was brought by Laura Spottiswood, a former part-time pool registered nurse at VITAS, against Chemed, VITAS, and a VITAS affiliate. The complaint was served on the defendants on April 12, 2013. On May 29 and June 4, 2013, respectively, the Court granted the government's motion to partially intervene in *Spottiswood* and in *Urick* on the allegations that VITAS submitted or caused to be submitted false or fraudulent claims for continuous care and routine home care on behalf of certain ineligible Medicare beneficiaries. The Court also transferred them to the U.S. District Court for the Western District of Missouri under docket Nos. 4:13-cv-505 and 4:13-cv-563, respectively.

On May 2, 2013, the government filed a False Claims Act complaint against the Company and certain of its hospice-related subsidiaries in the U.S. District Court for the Western District of Missouri, *United States v. VITAS Hospice Services, LLC, et al.*, No. 4:13-cv-00449-BCW (the "2013 Action"). Prior to that date, the Company received various subpoenas from the U.S. Department of Justice and OIG that have been previously disclosed. The 2013 Action alleges that, since at least 2002, VITAS, and since 2004, the Company, submitted or caused the submission of false claims to the Medicare program by (a) billing Medicare for continuous home care services when the patients were not eligible, the services were not provided, or the medical care was inappropriate, and (b) billing Medicare for patients who were not eligible for the Medicare hospice benefit because they did not have a life expectancy of six months or less if their illnesses ran their normal course. This complaint seeks treble damages, statutory penalties, and the costs of the action, plus interest. On August 1, 2013, the government filed its First Amended Complaint in the 2013 Action. The First Amended Complaint changed and supplemented some of the allegations, but did not otherwise expand the causes of action or the nature of the relief sought against VITAS. The defendants filed a motion to dismiss on September 24, 2013. The Court denied the motion, except to the extent that claims were filed before July 24, 2002, on September 30, 2014.

On May 6, 2013, the U.S. District Court for the Western District of Missouri, at the request of the government, unsealed a *qui tam* complaint against VITAS and VITAS Healthcare Corporation of California, *United States ex rel. Charles Gonzales v. VITAS Healthcare Corporation, et al.*, CV 12-0761-R ("*Gonzales*"). The case was transferred from the Central District of California to the Western District of Missouri under docket No. 4:13-cv-344. The government partially intervened in *Gonzales*. The *Gonzales* complaint alleges that VITAS' Los Angeles program falsely certified and recertified patients as eligible for the Medicare Hospice Benefit. It alleges violations of the False Claims Act and seeks treble damages, civil penalties, recovery of costs, attorneys' fees and expenses, and pre- and post-judgment interest.

On September 25, 2013, the Court granted a joint motion by the government, the relators, and VITAS to consolidate the *Spottiswood*, *Urick*, and *Gonzales* complaints with the 2013 Action. As a result, the First Amended Complaint will govern the consolidated federal claims brought by the United States and the relators for all purposes. The relators and VITAS have stipulated that certain non-intervened claims will not be pursued by the relators. The Spottiswood relator filed an action under the Illinois False Claims Act, *The State of Illinois ex rel. Laura Spottiswood v. Chemed Corporation*, et al., No. 14 L 2786 in the Circuit Court of Cook County, Illinois on March 6, 2014. The Court granted the parties' joint motion to place this case on its stay calendar, pending resolution of the 2013 Action.

VITAS has also received document subpoenas in related state matters. In February 2010, VITAS received a civil investigative demand ("CID") from the Texas Attorney General seeking documents from January 1, 2002 through the date of the CID, and interrogatory responses in connection with an investigation of possible fraudulent submission of Medicaid claims for non-qualifying patients and fraudulent shifting of costs from VITAS to the State of Texas and the United States. The CID requested similar information sought by prior Department of Justice subpoenas, including policy and procedure manuals and information concerning Medicare and Medicaid billing, patient statistics and sales and marketing practices, together with information concerning record-keeping and retention practices, and medical records concerning 117 patients. In September 2010, VITAS received a third CID from the Texas Attorney General seeking additional documents concerning business plans and results, revocation forms for certain patients, and electronic documents of 10 current and former employees. In July 2012, VITAS received an investigative subpoena from the Florida Attorney General seeking documents previously produced in the course of prior government investigations as well as, for the period January 1, 2007 through the date of production, billing records and procedures; information concerning business results, plans, and strategies; documents concerning patient eligibility for hospice care; and certain information concerning employees and their compensation.

The net costs incurred related to U.S. v. Vitas and related regulatory matters were $1.3 million and $748,000 for the periods ending March 31, 2015 and 2014, respectively.

In November 2013, two shareholder derivative lawsuits were filed against the Company's current and former directors, as well as certain of its officers, both of which are covered by the Company's commercial insurance. On November 6, 2013, KBC Asset Management NV filed suit in the United States District Court for the District of Delaware, *KBC Asset Management NV, derivatively on behalf of Chemed Corp. v. McNamara, et al.* , No. 13 Civ. 1854 (LPS) (D. Del.). It sued Kevin McNamara, Joel Gemunder, Patrick Grace, Thomas Hutton, Walter Krebs, Andrea Lindell, Thomas Rice, Donald Saunders, Arthur Tucker, Jr., George Walsh III, Frank Wood, Timothy O'Toole, David Williams and Ernest Mrozek, together with the Company as nominal defendant. Plaintiff alleges that since at least 2004, Chemed, through VITAS, has submitted or caused the submission of false claims to Medicare. The suit alleges a claim for breach of fiduciary duty against the individual defendants, and seeks (a) a declaration that the individual defendants breached their fiduciary duties to the Company; (b) an order requiring those defendants to pay compensatory damages, restitution and exemplary damages, in unspecified amounts, to the Company; (c) an order directing the Company to implement new policies and procedures; and (d) costs and disbursements incurred in bringing the action, including attorneys' fees.

On November 14, 2013, Mildred A. North filed suit in the United States District Court for the Southern District of Ohio, *North, derivatively on behalf of Chemed Corp. v. Kevin McNamara, el al.*, No. 13 Civ. 833 (MDB) (S.D. Ohio). She sued Kevin McNamara, David Williams, Timothy O'Toole, Joel Gemunder, Patrick Grace, Walter Krebs, Andrea Lindell, Thomas Rice, Donald Saunders, George Walsh III, Frank Wood and Thomas Hutton, together with the Company as nominal defendant. Plaintiff alleges that, between February 2010 and the present, the individual defendants breached their fiduciary duties as officers and directors of Chemed by, among other things, (a) allegedly causing VITAS to submit improper and ineligible claims to Medicare and Medicaid; and (b) allegedly misrepresenting the state of Chemed's internal controls. The suit alleges claims for breach of fiduciary duty, abuse of control and gross mismanagement against the individual defendants. The complaint also alleges unjust enrichment and insider trading against Messrs. McNamara, Williams and O'Toole. Plaintiff seeks (a) a declaration that the individual defendants breached their fiduciary duties to the Company; (b) an order requiring those defendants to pay compensatory damages, restitution and exemplary damages, in unspecified amounts, to the Company; (c) an order directing the Company to implement new policies and procedures; and (d) costs and disbursements incurred in bringing the action, including attorneys' fees.

On January 29, 2014 defendants in *North* filed a motion to transfer that case to Delaware under 28 U.S.C § 1404(a). On February 12, 2014, defendants in *KBC* filed a motion to dismiss that case pursuant to Federal Rules of Civil

Procedure 23.1 and 12(b)(6). On September 19, 2014, the Ohio court granted defendants' motion to transfer *North* to Delaware. Following that decision and in light of that transfer, on September 29, 2014, the Delaware court denied without prejudice defendants' motion to dismiss *KBC,* and referred both cases to Magistrate Judge Burke.

On October 15, 2014, Plaintiff KBC filed a motion to consolidate *KBC* with *North*. On February 2, 2015 the court granted the motion for consolidation in full, appointing Plaintiff KBC the sole lead plaintiff and its counsel, the sole lead and liaison counsel. The court ordered that both cases will proceed under the caption *In re Chemed Corp. Shareholder and Derivative Litigation*, No. 13 Civ. 1854 (LPS) (CJB) (D. Del.). Plaintiff KBC has designated its pending complaint as the operative complaint in the consolidated proceedings. Defendants have renewed their motion to dismiss the claims and allegations.

The Company intends to defend vigorously against the allegations in each of the above lawsuits. Regardless of the outcome of any of the preceding matters, responding to the subpoenas and dealing with the various regulatory agencies and opposing parties can adversely affect us through defense costs, potential payments, diversion of management time, and related publicity. Although the Company intends to defend them vigorously, there can be no assurance that those suits will not have a material adverse effect on the Company.

11. Concentration of Risk

VITAS has pharmacy services agreements ("Agreements") with Omnicare, Inc. and its subsidiaries ("OCR") whereby OCR provides specified pharmacy services for VITAS and its hospice patients in geographical areas served by both VITAS and OCR. The Agreements renew automatically for three-year terms. Either party may cancel the Agreements at the end of any term by giving 30 days prior written notice. VITAS made purchases from OCR of $9.2 million and $8.8 million for the three months ended March 31, 2015 and 2014, respectively. For the three month periods ending March 31, 2015 and 2014, respectively, purchases from this vendor represent approximately 90% of all pharmacy services used by VITAS.

12. Cash Overdrafts and Cash Equivalents

Included in accounts payable at March 31, 2015 is cash overdrafts payable of $9.0 million (December 31, 2014 - $10.5 million).

From time to time throughout the year, we invest excess cash in money market funds with major commercial banks. We closely monitor the creditworthiness of the institutions with which we invest our overnight funds. We had $408,000 in cash equivalents as of March 31, 2015. There was $80,000 in cash equivalents as of December 31, 2014. The weighted average rate of return for our cash equivalents was 0.06% at March 31, 2015 and 0.06% at December 31, 2014.

13. Financial Instruments

FASB's authoritative guidance on fair value measurements defines a hierarchy which prioritizes the inputs in fair value measurements. Level 1 measurements are measurements using quoted prices in active markets for identical assets or liabilities. Level 2 measurements use significant other observable inputs. Level 3 measurements are measurements using significant unobservable inputs which require a company to develop its own assumptions. In recording the fair value of assets and liabilities, companies must use the most reliable measurement available.

The following shows the carrying value, fair value and the hierarchy for our financial instruments as of March 31, 2015 (in thousands):

		Fair Value Measure		
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual fund investments of deferred compensation plans held in trust	$ 52,075	$ 52,075	$ -	$ -
Long-term debt	161,250	-	161,250	-

For the mutual fund investments carrying value is fair value. All outstanding long-term debt is at a floating interest rate tied to LIBOR. Therefore, the carrying amount is a reasonable estimation of fair value.

The following shows the carrying value, fair value and the hierarchy for our financial instruments as of December 31, 2014 (in thousands):

		Fair Value Measure		
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual fund investments of deferred compensation plans held in trust	$ 49,147	$ 49,147	$ -	$ -
Long-term debt	147,500	-	147,500	-

For cash and cash equivalents, accounts receivable and accounts payable, the carrying amount is a reasonable estimate of fair value because of the liquidity and short-term nature of these instruments.

14. Capital Stock Repurchase Plan Transactions

We repurchased the following capital stock for the three months ended March 31, 2015 and 2014:

	Three months ended March 31,	
	2015	2014
Shares repurchased	-	382,934
Weighted average price per share	$ -	$ 86.13

In March 2015, the Board of Directors authorized an additional $100 million for stock repurchase under Chemed's existing share repurchase program. We currently have $111.8 million of authorization remaining under this share repurchase plan.

15. Recent Accounting Statements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update "ASU No. 2014-09 – Revenue from Contracts with Customers" which provides additional guidance to clarify the principles for recognizing revenue. The standard will also be used to develop a common revenue standard for removing inconsistencies and weaknesses, improve comparability, provide more useful information to users through improved disclosure requirements, and simplify the preparation of financial statements. The guidance is effective for fiscal years beginning after December 15, 2017. We are currently evaluating the impact of this ASU on our existing revenue recognition policies and disclosures.

In August 2014, the FASB issued Accounting Standards Update No. 2014-15, "ASU No. 2014-15 - Presentation of Financial Statements-Going Concern". ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. This guidance is effective for us for the annual period ending December 31, 2016 and interim periods thereafter. We do not expect the adoption of this standard to have a material impact on our consolidated financial position, results of operations and cash flows.

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

Executive Summary

We operate through our two wholly-owned subsidiaries, VITAS Healthcare Corporation and Roto-Rooter Group, Inc. VITAS focuses on hospice care that helps make terminally ill patients' final days as comfortable as possible. Through its teams of doctors, nurses, home health aides, social workers, clergy and volunteers, VITAS provides direct medical services to patients, as well as spiritual and emotional counseling to both patients and their families. Roto-Rooter's services are focused on providing plumbing, drain cleaning and other related services to both residential and commercial customers. Through its network of company-owned branches, independent contractors and franchisees, Roto-Rooter offers plumbing and drain cleaning service to over 90% of the U.S. population.

The following is a summary of the key operating results (in thousands except per share amounts):

	Three months ended March 31,	
	2015	**2014**
Service revenues and sales	**$ 376,652**	$ 358,300
Net income	**$ 24,537**	$ 20,574
Diluted EPS	**$ 1.40**	$ 1.12
Adjusted net income	**$ 26,831**	$ 23,713
Adjusted diluted EPS	**$ 1.54**	$ 1.32
Adjusted EBITDA	**$ 52,849**	$ 47,672
Adjusted EBITDA as a % of revenue	**14.0%**	13.3%

Adjusted net income, adjusted diluted EPS, earnings before interest, taxes and depreciation and amortization ("EBITDA") and Adjusted EBITDA are not measures derived in accordance with GAAP. We provide non-GAAP measures to help readers evaluate our operating results, compare our operating performance with that of similar companies that have different capital structures and help evaluate our ability to meet future debt service, capital expenditure and working capital requirements. Our non-GAAP measures should not be considered in isolation or as a substitute for comparable measures presented in accordance with GAAP. A reconciliation of our non-GAAP measures are presented on pages 22-23.

For the three months ended March 31, 2015, the increase in consolidated service revenues and sales was driven by a 9.3% increase at Roto-Rooter and a 3.5% increase at VITAS. The increase in service revenues at Roto-Rooter was driven primarily by an increase in the water restoration business line. Water restoration is the remediation or removal of water and humidity after a flood. The increase in service revenues at VITAS was a result of Medicare reimbursement rates increasing 1.4%, a 3.5% increase in days of care and mix shift. Consolidated net income increased 19.3% due to higher revenues at both VITAS and Roto-Rooter combined with leveraging our current infrastructure resulting in operating costs growing at a slower rate than revenue. Diluted EPS increased 25.0% as a result of the increase in net income as well as a lower number of shares outstanding. Adjusted EBITDA as a percent of revenue increased 0.7%. See page 24 for additional VITAS operating metrics.

VITAS expects its full-year 2015 revenue growth, prior to Medicare cap, to be in the range of 3.0% to 4.0%. Admissions in 2015 are estimated to increase 4.0%. Adjusted EBITDA margin, prior to Medicare cap, is estimated to be 14.0% to 15.0%. Medicare cap billing limitations are estimated to be $4.3 million in 2015. Roto-Rooter expects full-year 2015 revenue growth of 3.0% to 4.0%. The revenue estimate is a result of continued expansion in water restoration services and increased job pricing of approximately 1.0%. Adjusted EBITDA margin for 2015 is estimated in the range of 19.0% to 20.0%. We anticipate that our operating income and cash flows will be sufficient to operate our businesses and meet any commitments for the foreseeable future.

Financial Condition
Liquidity and Capital Resources
Material changes in the balance sheet accounts from December 31, 2014 to March 31, 2015 include the following:

- A $14.2 million increase in cash due to cash generated by operations and an increase in long-term debt partially offset by capital expenditures and cash dividends.
- A $21.2 million increase in accounts receivable related to the timing of payments.
- A $3.2 million decrease in accounts payable due to timing of payments.
- A $7.2 million increase in income taxes due to timing of payments
- A $7.1 million decrease in accrued compensation related to the payment of incentive compensation in the first quarter.
- A $3.5 million decrease in other current liabilities due mainly to payments made for Medicare cap.

Net cash provided by operating activities increased $24.2 million primarily as a result of higher net income, lower legal payments in 2015 and the timing of other disbursements. Management continually evaluates cash utilization alternatives, including share repurchase, debt repurchase, acquisitions and increased dividends to determine the most beneficial use of available capital resources.

We have issued $36.6 million in standby letters of credit as of March 31, 2015, for insurance purposes. Issued letters of credit reduce our available credit under the revolving credit agreement. As of March 31, 2015, we have approximately $248.4 million of unused lines of credit available and eligible to be drawn down under our revolving credit facility. Management believes its liquidity and sources of capital are satisfactory for the Company's needs in the foreseeable future.

Significant changes in our accounts receivable balances are driven mainly by the timing of payments received from the Federal government at our VITAS subsidiary. We typically receive a payment in excess of $35.0 million from the Federal government from hospice services every other Friday. The timing of period end will have a significant impact on the accounts receivable at VITAS. These changes generally normalize over a two year period, as cash flow variations in on year are offset in the following year.

Commitments and Contingencies
Collectively, the terms of our credit agreements require us to meet various financial covenants, to be tested quarterly. We are in compliance with all financial and other debt covenants as of March 31, 2015 and anticipate remaining in compliance throughout 2015.

The VITAS segment of the Company's business operates in a heavily-regulated industry. As a result, the Company is subjected to inquiries and investigations by various government agencies, as well as to lawsuits, including *qui tam* actions. The following sections describe the various ongoing material lawsuits and investigations of which the Company is currently aware. It is not possible at this time for us to estimate either the timing or outcome of any of those matters, or whether any potential loss, or range of potential losses, is probable or estimable.

In June 2011, the U.S. Attorney provided the Company with a partially unsealed *qui tam* complaint filed under seal in the U.S. District Court for the Western District of Texas, *United States, et al. ex rel. Urick v. VITAS HME Solutions, Inc. et al.*, 5:08-cv-0663 ("*Urick*"). The U.S. Attorney filed a notice in May 2012 stating that it had decided not to intervene in the case at that time but indicating that it continues to investigate the allegations. In June 2012, the complaint was unsealed. The complaint asserts violations of the federal False Claims Act and the Texas Medicaid Fraud Prevention Act based on allegations of a conspiracy to submit to Medicare and Medicaid false claims involving hospice services for ineligible patients, unnecessary medical supplies, failing to satisfy certain prerequisites for payment, and altering patient records, including backdating patient revocations. The suit was brought by Barbara Urick, a then registered nurse in VITAS's San Antonio program, against VITAS, certain of its affiliates, and several former VITAS employees, including physicians Justo Cisneros and Antonio Cavasos and nurses Sally Schwenk, Diane Anest, and Edith Reed. In September 2012 and July 2013, the plaintiff dismissed all claims against the individual defendants. The complaint was served on the VITAS entities on April 12, 2013.

Also in June 2011, the U.S. Attorney provided the Company with a partially unsealed *qui tam* complaint filed under seal in the U.S. District Court for the Northern District of Illinois, *United States, et al. ex rel. Spottiswood v. Chemed Corp.*, 1:07-cv-4566 ("*Spottiswood*"). In April 2012, the complaint was unsealed. The U.S. Attorney and Attorney General for the State of Illinois filed notices in April and May 2012, respectively, stating that they had decided not to intervene in the case at that time but indicating that they continue to investigate the allegations. Plaintiff filed an amended complaint in November 2012. The complaint asserts violations of the federal False Claims Act and the Illinois Whistleblower Reward and Protection Act based on allegations that VITAS fraudulently billed Medicare and Medicaid for providing unwarranted continuous care services. The suit was brought by Laura Spottiswood, a former part-time pool registered nurse at VITAS, against Chemed, VITAS, and a VITAS affiliate. The complaint was served on the defendants on April 12, 2013. On May 29 and June 4, 2013, respectively, the Court granted the government's motion to partially intervene in *Spottiswood* and in *Urick* on the allegations that VITAS submitted or caused to be submitted false or fraudulent claims for continuous care and routine home care on behalf of certain ineligible Medicare beneficiaries. The Court also transferred them to the U.S. District Court for the Western District of Missouri under docket Nos. 4:13-cv-505 and 4:13-cv-563, respectively.

On May 2, 2013, the government filed a False Claims Act complaint against the Company and certain of its hospice-related subsidiaries in the U.S. District Court for the Western District of Missouri, *United States v. VITAS Hospice Services, LLC, et al.*, No. 4:13-cv-00449-BCW (the "2013 Action"). Prior to that date, the Company received various subpoenas from the U.S. Department of Justice and OIG that have been previously disclosed. The 2013 Action alleges that, since at least 2002, VITAS, and since 2004, the Company, submitted or caused the submission of false claims to the Medicare program by (a) billing Medicare for continuous home care services when the patients were not eligible, the services were not provided, or the medical care was inappropriate, and (b) billing Medicare for patients who were not eligible for the Medicare hospice benefit because they did not have a life expectancy of six months or less if their illnesses ran their normal course. This complaint seeks treble damages, statutory penalties, and the costs of the action, plus interest. On August 1, 2013, the government filed its First Amended Complaint in the 2013 Action. The First Amended Complaint changed and supplemented some of the allegations, but did not otherwise expand the causes of action or the nature of the relief sought against VITAS. The defendants filed a motion to dismiss on September 24, 2013. The Court denied the motion, except to the extent that claims were filed before July 24, 2002, on September 30, 2014.

On May 6, 2013, the U.S. District Court for the Western District of Missouri, at the request of the government, unsealed a *qui tam* complaint against VITAS and VITAS Healthcare Corporation of California, *United States ex rel. Charles Gonzales v. VITAS Healthcare Corporation, et al.*, CV 12-0761-R ("*Gonzales*"). The case was transferred from the Central District of California to the Western District of Missouri under docket No. 4:13-cv-344. The government partially intervened in *Gonzales*. The *Gonzales* complaint alleges that VITAS' Los Angeles program falsely certified and recertified patients as eligible for the Medicare Hospice Benefit. It alleges violations of the False Claims Act and seeks treble damages, civil penalties, recovery of costs, attorneys' fees and expenses, and pre- and post-judgment interest.

On September 25, 2013, the Court granted a joint motion by the government, the relators, and VITAS to consolidate the *Spottiswood*, *Urick*, and *Gonzales* complaints with the 2013 Action. As a result, the First Amended Complaint will govern the consolidated federal claims brought by the United States and the relators for all purposes. The relators and VITAS have stipulated that certain non-intervened claims will not be pursued by the relators. The Spottiswood relator filed an action under the Illinois False Claims Act, *The State of Illinois ex rel. Laura Spottiswood v. Chemed Corporation*, et al., No. 14 L 2786 in the Circuit Court of Cook County, Illinois on March 6, 2014. The Court granted the parties' joint motion to place this case on its stay calendar, pending resolution of the 2013 Action.

VITAS has also received document subpoenas in related state matters. In February 2010, VITAS received a civil investigative demand ("CID") from the Texas Attorney General seeking documents from January 1, 2002 through the date of the CID, and interrogatory responses in connection with an investigation of possible fraudulent submission of Medicaid claims for non-qualifying patients and fraudulent shifting of costs from VITAS to the State of Texas and the United States. The CID requested similar information sought by prior Department of Justice subpoenas, including policy and procedure manuals and information concerning Medicare and Medicaid billing, patient statistics and sales and marketing practices, together with information concerning record-keeping and retention practices, and medical records concerning 117 patients. In September 2010, VITAS received a third CID from the Texas Attorney General seeking additional documents concerning business plans and results, revocation forms for certain patients, and electronic documents of 10 current and former employees. In July 2012, VITAS received an investigative subpoena from the Florida Attorney General seeking documents previously produced in the course of prior government investigations as well as, for the period January 1, 2007 through the date of production, billing records and procedures; information concerning business results, plans, and strategies; documents concerning patient eligibility for hospice care; and certain information concerning employees and their compensation.

The net costs incurred related to U.S. v. Vitas and related regulatory matters were $1.3 million and $748,000 for the periods ending March 31, 2015 and 2014, respectively.

In November 2013, two shareholder derivative lawsuits were filed against the Company's current and former directors, as well as certain of its officers, both of which are covered by the Company's commercial insurance. On November 6, 2013, KBC Asset Management NV filed suit in the United States District Court for the District of Delaware, *KBC Asset Management NV, derivatively on behalf of Chemed Corp. v. McNamara, et al.*, No. 13 Civ. 1854 (LPS) (D. Del.). It sued Kevin McNamara, Joel Gemunder, Patrick Grace, Thomas Hutton, Walter Krebs, Andrea Lindell, Thomas Rice, Donald Saunders, Arthur Tucker, Jr., George Walsh III, Frank Wood, Timothy O'Toole, David Williams and Ernest Mrozek, together with the Company as nominal defendant. Plaintiff alleges that since at least 2004, Chemed, through VITAS, has submitted or caused the submission of false claims to Medicare. The suit alleges a claim for breach of fiduciary duty against the individual defendants, and seeks (a) a declaration that the individual defendants breached their fiduciary duties to the Company; (b) an order requiring those defendants to pay compensatory damages, restitution and exemplary damages, in unspecified amounts, to the Company; (c) an order directing the Company to implement new policies and procedures; and (d) costs and disbursements incurred in bringing the action, including attorneys' fees.

On November 14, 2013, Mildred A. North filed suit in the United States District Court for the Southern District of Ohio, *North, derivatively on behalf of Chemed Corp. v. Kevin McNamara, el al.*, No. 13 Civ. 833 (MDB) (S.D. Ohio). She sued Kevin McNamara, David Williams, Timothy O'Toole, Joel Gemunder, Patrick Grace, Walter Krebs, Andrea Lindell, Thomas Rice, Donald Saunders, George Walsh III, Frank Wood and Thomas Hutton, together with the Company as nominal defendant. Plaintiff alleges that, between February 2010 and the present, the individual defendants breached their fiduciary duties as officers and directors of Chemed by, among other things, (a) allegedly causing VITAS to submit improper and ineligible claims to Medicare and Medicaid; and (b) allegedly misrepresenting the state of Chemed's internal controls. The suit alleges claims for breach of fiduciary duty, abuse of control and gross mismanagement against the individual defendants. The complaint also alleges unjust enrichment and insider trading against Messrs. McNamara, Williams and O'Toole. Plaintiff seeks (a) a declaration that the individual defendants breached their fiduciary duties to the Company; (b) an order requiring those defendants to pay compensatory damages, restitution and exemplary damages, in unspecified amounts, to the Company; (c) an order directing the Company to implement new policies and procedures; and (d) costs and disbursements incurred in bringing the action, including attorneys' fees.

On January 29, 2014 defendants in *North* filed a motion to transfer that case to Delaware under 28 U.S.C § 1404(a). On February 12, 2014, defendants in *KBC* filed a motion to dismiss that case pursuant to Federal Rules of Civil Procedure 23.1 and 12(b)(6). On September 19, 2014, the Ohio court granted defendants' motion to transfer *North* to Delaware. Following that decision and in light of that transfer, on September 29, 2014, the Delaware court denied without prejudice defendants' motion to dismiss *KBC,* and referred both cases to Magistrate Judge Burke.

On October 15, 2014, Plaintiff KBC filed a motion to consolidate *KBC* with *North*. On February 2, 2015 the court granted the motion for consolidation in full, appointing Plaintiff KBC the sole lead plaintiff and its counsel, the sole lead and liaison counsel. The court ordered that both cases will proceed under the caption *In re Chemed Corp. Shareholder and Derivative Litigation*, No. 13 Civ. 1854 (LPS) (CJB) (D. Del.). Plaintiff KBC has designated its pending complaint as the operative complaint in the consolidated proceedings. Defendants have renewed their motion to dismiss the claims and allegations.

The Company intends to defend vigorously against the allegations in each of the above lawsuits. Regardless of the outcome of any of the preceding matters, responding to the subpoenas and dealing with the various regulatory agencies and opposing parties can adversely affect us through defense costs, potential payments, diversion of management time, and related publicity. Although the Company intends to defend them vigorously, there can be no assurance that those suits will not have a material adverse effect on the Company.

Results of Operations

Three months ended March 31, 2015 versus 2014 - Consolidated Results

Our service revenues and sales for the first quarter of 2015 increased 5.1% versus services and sales revenues for the first quarter of 2014. Of this increase, $9.2 million was attributable to VITAS and a $9.2 million increase was attributable to Roto-Rooter. The following chart shows the components of those changes (in thousands):

		Increase/(Decrease)	
		Amount	**Percent**
VITAS			
Routine homecare	$	9,144	4.7
Continuous care		16	-
General inpatient		723	2.8
Medicare cap		(682)	(80.5)
Roto-Rooter			
Plumbing		994	2.2
Drain cleaning		(1,008)	(2.8)
Water restoration		8,939	587.5
Contractor operations		441	4.9
Other		(215)	(4.0)
Total	$	18,352	5.1

The increase in VITAS' revenues for the first quarter of 2015 versus the first quarter of 2014 was a combination of Medicare reimbursement rates increasing approximately 1.4% and a 3.5% increase in days of care. In the first quarter of 2015, VITAS recorded a positive revenue adjustment of $165,000 related to one program's Medicare cap liability recorded in the fourth quarter of 2014. This compares to a positive revenue adjustment of $847,000 recorded in the first quarter of 2014.

Days of care during the quarter ended March 31 were as follows:

	Days of Care		
	2015	**2014**	**Percent**
Routine homecare	**1,241,733**	1,197,338	3.7
Continuous care	**52,840**	51,830	1.9
General inpatient	**39,573**	39,328	0.6
Total days of care	**1,334,146**	1,288,496	3.5

Over 90% of VITAS' service revenues for the period were from Medicare and Medicaid

The increase in plumbing revenues for the first quarter of 2015 versus 2014 is attributable to a 7.5% decrease in job count, offset by a 9.7% increase in a combination of price and service mix shift. Drain cleaning revenues for the first quarter of 2015 versus 2014 reflect a 6.2% decrease in the number of jobs performed, offset by a 3.4% increase in a combination of price and service mix shift. Water restoration increased 587.5% as a result of continued expansion into other Roto-Rooter locations. Water restoration is the remediation or removal of water and humidity after a flood. Contractor operations increased 4.9% and Other Roto-Rooter revenue decreased 4.0%.

The consolidated gross margin was 28.6% in the first quarter of 2015 as compared with 28.0% in the first quarter of 2014. On a segment basis, VITAS' gross margin was 21.2% in the first quarter of 2015 and 21.1% in the first quarter of 2014, mainly. The Roto-Rooter segment's gross margin was 47.3% for the first quarter of 2015 as compared with 46.4% for the first quarter of 2014. The gross margin increase was mainly the result of favorable casualty insurance experience during the first quarter of 2015.

Selling, general and administrative expenses ("SG&A") comprise (in thousands):

	Three months ended March 31,			
		2015		**2014**
SG&A expenses before the impact of market gains/(losses) of deferred compensation plans, long-term incentive compensation, and OIG investigation expenses	**$**	**55,430**	$	53,388
Long-term incentive compensation		**934**		373
Net expenses related to OIG investigation		**1,274**		748
Market value gains related to assets held in deferred compensation trusts		**950**		1,162
Total SG&A expenses	**$**	**58,588**	$	55,671

SG&A expenses before long-term incentive compensation, expenses related to OIG investigation and the impact of market gains of deferred compensation plans for the first quarter of 2015 were up 3.8% when compared to the first quarter of 2014 mainly as a result of normal salary increases and favorable insurance accrual adjustments in 2015.

Other income - net comprise (in thousands):

	Three months ended March 31,	
	2015	**2014**
Market value gains on assets held in deferred compensation trusts	**$ 950**	$ 1,162
Gain/(loss) on disposal of property and equipment	**48**	(278)
Interest income - net	**44**	(50)
Other	**(479)**	(18)
Total other income - net	**$ 563**	$ 816

Our effective income tax rate was 38.9% in the first quarter of 2015 essentially equal to the first quarter of 2014.

Net income for both periods included the following after-tax items/adjustments that reduced or increased after-tax earnings (in thousands):

	Three months ended March 31,	
	2015	**2014**
VITAS		
Expenses related to OIG investigation	**$ (790)**	$ (464)
Expenses related to litigation settlements	**-**	(70)
Acquisition expenses	**-**	(1)
Roto-Rooter		
Expenses related to litigation settlements	**(3)**	(117)
Corporate		
Stock option expense	**(910)**	(822)
Noncash impact of change in accounting for convertible debt	**-**	(1,429)
Long-term incentive compensation	**(591)**	(236)
Total	**$ (2,294)**	$ (3,139)

<u>Three months ended March 31, 2015 versus 2014 - Segment Results</u>

The change in after-tax earnings for the first quarter of 2015 versus the first quarter of 2014 is due to (in thousands):

	Increase/(Decrease)	
	Amount	**Percent**
VITAS	$ 1,156	6.4
Roto-Rooter	1,975	19.7
Corporate	832	10.9
	$ 3,963	19.3

VITAS' after-tax earnings were positively impacted in 2015 compared to 2014 by a $9.2 million increase in revenue. After-tax earnings as a percent of revenue in 2015 were 7.2% as compared to 7.0% in 2014.

Roto-Rooter's after-tax earnings were positively impacted in 2015 compared to 2014 primarily by a $8.9 million revenue increase in Roto-Rooter's water restoration line of business. After-tax earnings as a percent of revenue at Roto-Rooter in 2015 were 11.2% as compared to 10.2% in 2014. This increase is mainly the result of favorable casualty insurance experience during the first quarter of 2015.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2015
(in thousands)(unaudited)

2015 (a)	**VITAS**	**Roto-Rooter**	**Corporate**	**Chemed Consolidated**
Service revenues and sales	$ 269,613	$ 107,039	$ -	$ 376,652
Cost of services provided and goods sold	212,495	56,390	-	268,885
Selling, general and administrative expenses	21,971	28,761	7,856	58,588
Depreciation	4,785	3,094	153	8,032
Amortization	167	108	301	576
Total costs and expenses	239,418	88,353	8,310	336,081
Income/(loss) from operations	30,195	18,686	(8,310)	40,571
Interest expense	(57)	(96)	(816)	(969)
Intercompany interest income/(expense)	1,726	838	(2,564)	-
Other income/(expense)—net	(433)	46	950	563
Income/(expense) before income taxes	31,431	19,474	(10,740)	40,165
Income taxes	(12,116)	(7,466)	3,954	(15,628)
Net income/(loss)	$ 19,315	$ 12,008	$ (6,786)	$ 24,537

(a) The following amounts are included in net income (in thousands):

	VITAS	**Roto-Rooter**	**Corporate**	**Chemed Consolidated**
Pretax benefit/(cost):				
Stock option expense	$ -	$ -	$ (1,444)	$ (1,444)
Long-term incentive compensation	-	-	(934)	(934)
Expenses related to litigation settlements	-	(5)	-	(5)
Expenses related to OIG investigation	(1,274)	-	-	(1,274)
Total	$ (1,274)	$ (5)	$ (2,378)	$ (3,657)

	VITAS	**Roto-Rooter**	**Corporate**	**Chemed Consolidated**
After-tax benefit/(cost):				
Stock option expense	$ -	$ -	$ (910)	$ (910)
Long-term incentive compensation	-	-	(591)	(591)
Expenses related to litigation settlements	-	(3)	-	(3)
Expenses related to OIG investigation	(790)	-	-	(790)
Total	$ (790)	$ (3)	$ (1,501)	$ (2,294)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(in thousands)(unaudited)

2014 (a)	**VITAS**	**Roto-Rooter**	**Corporate**	**Chemed Consolidated**
Service revenues and sales	$ 260,412	$ 97,888	$ -	$ 358,300
Cost of services provided and goods sold	205,392	52,427	-	257,819
Selling, general and administrative expenses	21,714	27,181	6,776	55,671
Depreciation	4,614	2,399	136	7,149
Amortization	419	145	445	1,009
Total costs and expenses	232,139	82,152	7,357	321,648
Income/(loss) from operations	28,273	15,736	(7,357)	36,652
Interest expense	(56)	(97)	(3,662)	(3,815)
Intercompany interest income/(expense)	1,344	649	(1,993)	-
Other income/(expense)—net	(293)	(59)	1,168	816
Income/(expense) before income taxes	29,268	16,229	(11,844)	33,653
Income taxes	(11,109)	(6,196)	4,226	(13,079)
Net income/(loss)	$ 18,159	$ 10,033	$ (7,618)	$ 20,574

(a) The following amounts are included in net income (in thousands):

	VITAS	**Roto-Rooter**	**Corporate**	**Chemed Consolidated**
Pretax benefit/(cost):				
Stock option expense	$ -	$ -	$ (1,309)	$ (1,309)
Noncash impact of accounting for convertible debt	-	-	(2,259)	(2,259)
Long-term incentive compensation	-	-	(373)	(373)
Acquisition expenses	(1)	-	-	(1)
Expenses related to litigation settlements	(113)	(193)	-	(306)
Expenses related to OIG investigation	(748)	-	-	(748)
Total	$ (862)	$ (193)	$ (3,941)	$ (4,996)

	VITAS	**Roto-Rooter**	**Corporate**	**Chemed Consolidated**
After-tax benefit/(cost):				
Stock option expense	$ -	$ -	$ (822)	$ (822)
Noncash impact of accounting for convertible debt	-	-	(1,429)	(1,429)
Long-term incentive compensation	-	-	(236)	(236)
Acquisition expenses	(1)	-	-	(1)
Expenses related to litigation settlements	(70)	(117)	-	(187)
Expenses related to OIG investigation	(464)	-	-	(464)
Total	$ (535)	$ (117)	$ (2,487)	$ (3,139)

Unaudited Consolidating Summary and Reconciliation of Adjusted EBITDA

Chemed Corporation and Subsidiary Companies

(in thousands) **For the three months ended March 31, 2015**	**VITAS**	**Roto-Rooter**	**Corporate**	**Chemed Consolidated**
Net income/(loss)	$ 19,315	$ 12,008	$ (6,786)	$ 24,537
Add/(deduct):				
Interest expense	57	96	816	969
Income taxes	12,116	7,466	(3,954)	15,628
Depreciation	4,785	3,094	153	8,032
Amortization	167	108	301	576
EBITDA	36,440	22,772	(9,470)	49,742
Add/(deduct):				
Intercompany interest expense/(income)	(1,726)	(838)	2,564	-
Interest income	(34)	(10)	-	(44)
Expenses related to OIG investigation	1,274	-	-	1,274
Expenses related to litigation settlements	-	5	-	5
Advertising cost adjustment	-	(506)	-	(506)
Stock option expense	-	-	1,444	1,444
Long-term incentive compensation	-	-	934	934
Adjusted EBITDA	$ 35,954	$ 21,423	$ (4,528)	$ 52,849

For the three months ended March 31, 2014	**VITAS**	**Roto-Rooter**	**Corporate**	**Chemed Consolidated**
Net income/(loss)	$ 18,159	$ 10,033	$ (7,618)	$ 20,574
Add/(deduct):				
Interest expense	56	97	3,662	3,815
Income taxes	11,109	6,196	(4,226)	13,079
Depreciation	4,614	2,399	136	7,149
Amortization	419	145	445	1,009
EBITDA	34,357	18,870	(7,601)	45,626
Add/(deduct):				
Intercompany interest expense/(income)	(1,344)	(649)	1,993	-
Interest income	64	(8)	(6)	50
Expenses related to OIG investigation	748	-	-	748
Acquisition expenses	1	-	-	1
Advertising cost adjustment	-	(741)	-	(741)
Expenses related to litigation settlements	113	193	-	306
Long-term incentive compensation	-	-	373	373
Stock option expense	-	-	1,309	1,309
Adjusted EBITDA	$ 33,939	$ 17,665	$ (3,932)	$ 47,672

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
RECONCILIATION OF ADJUSTED NET INCOME
(in thousands, except per share data)(unaudited)

	Three Months Ended March 31,	
	2015	2014
Net income as reported	**$ 24,537**	$ 20,574
Add/(deduct) after-tax cost of:		
Stock option expense	**910**	822
Net expenses/(cost recovery) of OIG investigation	**790**	464
Long-term incentive compensation	**591**	236
Expenses related to litigation settlements	**3**	187
Additional interest expense resulting from the change in accounting for the conversion feature of the convertible notes	**-**	1,429
Acquisition expenses	**-**	1
Adjusted net income	**$ 26,831**	$ 23,713
Diluted Earnings Per Share As Reported		
Net income	**$ 1.40**	$ 1.12
Average number of shares outstanding	**17,466**	18,305
Adjusted Diluted Earnings Per Share		
Adjusted net income	**$ 1.54**	$ 1.32
Adjusted average number of shares outstanding*	**17,466**	18,019

- Adjusted diluted average shares outstanding for 2014 excludes the estimated dilutive impact of the Convertible Notes (285,000 shares for the first quarter of 2014) as this impact was offset entirely by the Convertible Note Hedges when such conversion occurred in the second quarter of 2014.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
OPERATING STATISTICS FOR VITAS SEGMENT
(unaudited)

OPERATING STATISTICS	Three Months Ended March 31, 2015	2014
Net revenue ($000)		
Homecare	**$ 204,541**	$ 195,397
Inpatient	**26,716**	25,993
Continuous care	**38,191**	38,175
Total before Medicare cap allowance	**$ 269,448**	$ 259,565
Medicare cap allowance	**165**	847
Total	**$ 269,613**	$ 260,412
Net revenue as a percent of total before Medicare cap allowances		
Homecare	**75.9%**	75.3%
Inpatient	**9.9**	10.0
Continuous care	**14.2**	14.7
Total before Medicare cap allowance	**100.0**	100.0
Medicare cap allowance	**0.1**	0.3
Total	**100.1%**	100.3%
Average daily census (days)		
Homecare	**10,877**	10,476
Nursing home	**2,920**	2,828
Routine homecare	**13,797**	13,304
Inpatient	**440**	437
Continuous care	**587**	576
Total	**14,824**	14,317
Total Admissions	**17,268**	16,353
Total Discharges	**16,990**	16,002
Average length of stay (days)	**79.0**	81.1
Median length of stay (days)	**13.0**	14.0
ADC by major diagnosis		
Neurological	**23.7%**	39.2%
Cerebro	**28.0**	5.5
Cancer	**16.9**	17.3
Cardio	**17.8**	14.7
Respiratory	**7.8**	3.3
Other	**5.8**	20.0
Total	**100.0%**	100.0%
Admissions by major diagnosis		
Neurological	**12.9**	21.8%
Cerebro	**18.6**	6.7
Cancer	**30.6**	32.4
Cardio	**15.8**	13.8
Respiratory	**10.8**	9.9
Other	**11.3**	15.4
Total	**100.0%**	100.0%
Direct patient care margins		
Routine homecare	**52.7%**	52.8%
Inpatient	**8.4**	4.2
Continuous care	**15.9**	16.6
Homecare margin drivers (dollars per patient day)		
Labor costs	**$ 57.21**	$ 55.44
Drug costs	**6.50**	7.24
Home medical equipment	**6.41**	6.61
Medical supplies	**2.92**	3.22
Inpatient margin drivers (dollars per patient day)		
Labor costs	**$ 339.37**	$ 349.71
Continuous care margin drivers (dollars per patient day)		
Labor costs	**$ 587.63**	$ 593.77
Bad debt expense as a percent of revenues	**1.0%**	1.0%
Accounts receivable -- Days of revenue outstanding- excluding unapplied Medicare payments	**41.3**	42.7
Accounts receivable -- Days of revenue outstanding- including unapplied Medicare payments	**38.1**	33.8

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

Certain statements contained in this report are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe", "expect", "hope", "anticipate", "plan" and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. These forward-looking statements are based on current expectations and assumptions and involve various known and unknown risks, uncertainties, contingencies and other factors, which could cause Chemed's actual results to differ from those expressed in such forward-looking statements. Variances in any or all of the risks, uncertainties, contingencies, and other factors from our assumptions could cause actual results to differ materially from these forward-looking statements and trends. In addition, our ability to deal with the unknown outcomes of these events, many of which are beyond our control, may affect the reliability of projections and other financial matters. Investors are cautioned that such forward-looking statements are subject to inherent risk and there are no assurances that the matters contained in such statements will be achieved. Chemed does not undertake and specifically disclaims any obligation to publicly update or revise any forward-looking statements, whether as a result of a new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company's primary market risk exposure relates to interest rate risk exposure through its variable interest line of credit. At March 31, 2015, the Company had $161.3 million of variable rate debt outstanding. For each $10 million dollars borrowed under the credit facility, an increase or decrease of 100 basis points (1% point), increases or decreases the Company's annual interest expense by $100,000.

The Company continually evaluates this interest rate exposure and periodically weighs the cost versus the benefit of fixing the variable interest rates through a variety of hedging techniques.

Item 4. Controls and Procedures

We carried out an evaluation, under the supervision of our President and Chief Executive Officer and with the participation of the Executive Vice President and Chief Financial Officer and the Vice President and Controller, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the President and Chief Executive Officer, Executive Vice President and Chief Financial Officer and Vice President and Controller have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report. There has been no change in our internal control over financial reporting that occurred during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding the Company's legal proceedings, see note 10, Legal and Regulatory Matters, under Part I, Item I of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in the Company's most recent Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Item 2(c). Purchases of Equity Securities by Issuer and Affiliated Purchasers

The following table shows the activity related to our share repurchase program for the first three months of 2015:

	Total Number of Shares Repurchased	Weighted Price Paid Per Share	Cumulative Shares Repurchased Under the Program	Dollar Amount Remaining Under The Program
February 2011 Program				
January 1 through January 31, 2015	-	$ -	6,074,819	$ 11,808,785
February 1 through February 28, 2015	-	-	6,074,819	11,808,785
March 1 through March 31, 2015	-	-	6,074,819	$ 111,808,785
First Quarter Total	-	$ -		

On March 13, 2015 our Board of Directors authorized an additional $100 million under the February 2011 Repurchase Program.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

None

Item 5. Other Information

None

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.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

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:	May 1, 2015	By:	*/s/ Kevin J. McNamara* Kevin J. McNamara (President and Chief Executive Officer)
Dated:	May 1, 2015	By:	*/s/ David P. Williams* David P. Williams (Executive Vice President and Chief Financial Officer)
Dated:	May 1, 2015	By:	*/s/ 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 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 reporting 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 (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

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 or persons performing the equivalent function:

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: May 1, 2015

/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 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 reporting 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 (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

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 or persons performing the equivalent function:

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: May 1, 2015

/s/ David P. Williams
David P. Williams
(Executive 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 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 reporting 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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 or persons performing the equivalent function:

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: May 1, 2015

/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 on Form 10-Q for the quarter ending March 31, 2015 ("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.

Date: May 1, 2015

/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 Executive Vice President and Chief Financial Officer of Chemed Corporation ("Company"), does hereby certify that:

1) the Company's Quarterly Report on Form 10-Q for the quarter ending March 31, 2015 ("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.

Date: May 1, 2015

/s/ David P. Williams
David P. Williams
(Executive 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 on Form 10-Q for the quarter ending March 31, 2015 ("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.

Date: May 1, 2015

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