

HEALTHCARE SERVICES GROUP INC
 Form 4
 May 18, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 DISTEFANO JAMES L

2. Issuer Name and Ticker or Trading Symbol
 HEALTHCARE SERVICES GROUP INC [HCSG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 3220 TILLMAN DRIVE, SUITE 300
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 05/17/2007

____ Director
 ____ Officer (give title below) Other (specify below)
 Former CFO

BENSALEM, PA 19020

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction of	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying	8. Price of Derivative
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	Securities (Instr. 3 and 4)	Securities (Instr. 3 and 4)	Securities (Instr. 3 and 4)	Securities (Instr. 3 and 4)	Securities (Instr. 3 and 4)		
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
Phantom stock	(1)	05/14/2007	05/17/2007	S			5,768	(2)	(3)	common stock	5,768	\$ 0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DISTEFANO JAMES L 3220 TILLMAN DRIVE SUITE 300 BENSALEM, PA 19020				Former CFO

Signatures

/s/ James L.
DiStefano

05/18/2007

**Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Shares originally issued at conversion rate of 1 for 1 pursuant to issuer's contribution under the Healthcare Services Group, Inc Deferred Compensation Plan
- (2) Shares of Phantom Stock acquired pursuant to issuer contribution made under the plan years 2000- 2006 Healthcare Services Group, Inc Deferred Compensation Plan.
- (3) Shares of Phantom Stock are payable in cash or stock following the reporting person's employment with the issuer.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.