

Ottaviano Dino D
 Form 4
 February 22, 2011

FORM 4

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

OMB APPROVAL

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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 *
 Ottaviano Dino D

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

3. Date of Earliest Transaction (Month/Day/Year)
 02/21/2011

Director 10% Owner
 Officer (give title below) Other (specify below)

(Street)
 BENSALEM, PA 19020

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

(City) (State) (Zip)

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount or Price | | |
| Common stock | 02/16/2011 | 02/21/2011 | M | | 1,501 A \$ 14.3067 | D | |
| Common stock | 02/16/2011 | 02/21/2011 | M | | 2,794 A \$ 10.3867 | D | |
| Common stock | 02/16/2011 | 02/21/2011 | S | | 3,700 D \$ 17.25 | D | |
| Common stock | 02/16/2011 | 02/21/2011 | S | | 300 D \$ 17.245 | D | |
| Common stock | 02/16/2011 | 02/21/2011 | S | | 295 D \$ 17.2401 | D | |

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

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(9-02)

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock option | \$ 14.3067 | 02/16/2011 | 02/21/2011 | M | 1,501 | 01/04/2011 01/04/2020 | common stock | 1,501 |
| Stock option | \$ 10.3867 | 02/16/2011 | 02/21/2011 | M | 2,794 | 01/05/2010 01/05/2019 | common stock | 2,794 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Ottaviano Dino D 3220 TILLMAN DRIVE SUITE 300 BENSALEM, PA 19020 | X | | | |

Signatures

/s/ Dino
Ottaviano 02/22/2011

**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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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