

BOWEN LANE M
Form 4
May 02, 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 *
BOWEN LANE M

2. Issuer Name and Ticker or Trading Symbol
KINDRED HEALTHCARE, INC
[KND]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
680 SOUTH FOURTH STREET
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
05/01/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Exec VP & Pres, HS Div

LOUISVILLE, KY 40202

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 | 05/01/2007 | | M | | 10,000 A \$ 9.65 | 84,689 | D |
| Common Stock | 05/01/2007 | | M | | 1,538 A \$ 11.03 | 86,227 | D |
| Common Stock | 05/01/2007 | | M | | 10,137 A \$ 23.89 | 96,364 | D |
| Common Stock | 05/01/2007 | | M | | 3,288 A \$ 21.99 | 99,652 | D |
| Common Stock | 05/01/2007 | | M | | 1,500 A \$ 15.91 | 101,152 | D |

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| | | | | | | | |
|--------------|------------|---|-------|---|----------|---------|---|
| Common Stock | 05/01/2007 | M | 6,906 | A | \$ 11.03 | 108,058 | D |
| Common Stock | 05/01/2007 | S | 1,806 | D | \$ 35.01 | 106,252 | D |
| Common Stock | 05/01/2007 | S | 500 | D | \$ 34.95 | 105,752 | D |
| Common Stock | 05/01/2007 | S | 200 | D | \$ 34.83 | 105,552 | D |
| Common Stock | 05/01/2007 | S | 500 | D | \$ 34.8 | 105,052 | D |
| Common Stock | 05/01/2007 | S | 900 | D | \$ 34.94 | 104,152 | D |
| Common Stock | 05/01/2007 | S | 600 | D | \$ 34.96 | 103,552 | D |
| Common Stock | 05/01/2007 | S | 100 | D | \$ 34.75 | 103,452 | D |
| Common Stock | 05/01/2007 | S | 600 | D | \$ 34.78 | 102,852 | D |
| Common Stock | 05/01/2007 | S | 4,200 | D | \$ 34.77 | 98,652 | D |
| Common Stock | 05/01/2007 | S | 500 | D | \$ 34.82 | 98,152 | D |
| Common Stock | 05/01/2007 | S | 800 | D | \$ 34.81 | 97,352 | D |
| Common Stock | 05/01/2007 | S | 200 | D | \$ 34.99 | 97,152 | D |
| Common Stock | 05/01/2007 | S | 563 | D | \$ 34.88 | 96,589 | D |
| Common Stock | 05/01/2007 | S | 700 | D | \$ 34.91 | 95,889 | D |
| Common Stock | 05/01/2007 | S | 200 | D | \$ 35.02 | 95,689 | D |
| Common Stock | 05/01/2007 | S | 800 | D | \$ 35 | 94,889 | D |
| Common Stock | 05/01/2007 | S | 2,000 | D | \$ 34.89 | 92,889 | D |
| Common Stock | 05/01/2007 | S | 200 | D | \$ 34.84 | 92,689 | D |
| Common Stock | 05/01/2007 | S | 200 | D | \$ 34.85 | 92,489 | D |
| | 05/01/2007 | S | 100 | D | | 92,389 | D |

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| | | | | | | | | |
|--------------|------------|--|---|--------|-------|----------|--------|---|
| Common Stock | | | | | \$ | | | |
| | | | | | 34.87 | | | |
| Common Stock | 05/01/2007 | | S | 17,500 | D | \$ 34.9 | 74,889 | D |
| Common Stock | 05/01/2007 | | S | 200 | D | \$ 34.92 | 74,689 | D |

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 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 Security (Instr. 3 and 4) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Employee Stock Option (Right to Buy) | \$ 9.65 | 05/01/2007 | | M | 10,000 | 12/17/2003 ⁽¹⁾ | 12/17/2012 | Common Stock | 10,000 |
| Employee Stock Option (Right to Buy) | \$ 11.03 | 05/01/2007 | | M | 1,538 | 07/22/2004 ⁽²⁾ | 07/22/2013 | Common Stock | 1,538 |
| Employee Stock Option (Right to Buy) | \$ 23.89 | 05/01/2007 | | M | 10,137 | 07/26/2005 ⁽³⁾ | 07/26/2014 | Common Stock | 10,137 |
| Employee Stock Option (Right to Buy) | \$ 21.99 | 05/01/2007 | | M | 3,288 | 02/23/2007 ⁽⁴⁾ | 02/23/2013 | Common Stock | 3,288 |

Employee

Stock

| | | | | | | | | |
|-----------------------------|----------|------------|---|-------|---------------------------|------------|-----------------|-------|
| Option (Right to Buy) | \$ 15.91 | 05/01/2007 | M | 1,500 | 07/23/2003 ⁽⁵⁾ | 07/23/2012 | Common Stock | 1,500 |
|-----------------------------|----------|------------|---|-------|---------------------------|------------|-----------------|-------|

Employee

Stock

| | | | | | | | | |
|-----------------------------|----------|------------|---|-------|---------------------------|------------|-----------------|-------|
| Option (Right to Buy) | \$ 11.03 | 05/01/2007 | M | 6,906 | 07/22/2004 ⁽⁶⁾ | 07/22/2013 | Common Stock | 6,906 |
|-----------------------------|----------|------------|---|-------|---------------------------|------------|-----------------|-------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BOWEN LANE M 680 SOUTH FOURTH STREET LOUISVILLE, KY 40202 | | | Exec VP & Pres, HS Div | |

Signatures

Lane M. Bowen 05/02/2007

__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) This option is exercisable in cumulative equal annual installments over four years beginning 12/17/03.
- (2) This option is exercisable in the following cumulative installments: 7,634 on 7/22/04, 1,536 on 7/22/05 and 1,538 on 7/22/06.
- (3) This option becomes exercisable in the following cumulative installments: 5,069 on 7/26/05, 5,068 on 7/26/06 and 884 on 7/26/07.
- (4) This option is exercisable in the following installment: 3,288 on 2/23/07.
- (5) This option is exercisable in cumulative equal annual installments over four years commencing on 7/23/03.
- (6) This option is exercisable in the following cumulative installments: 810 on 7/22/04, 6,906 on 7/22/05 and 6,906 on 7/22/06.

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.