

BATTAFARANO FRANK J
 Form 4
 February 20, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
BATTAFARANO FRANK J

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)
02/19/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Exec VP & Pres, Hospital 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 Ownership (Instr. 4)
			Code	V	Amount (D) Price		
Common Stock	02/19/2008		A		4,453 <u>(1)</u>	A	\$ 0 88,444 D
Common Stock	02/19/2008		A		20,000 <u>(2)</u>	A	\$ 0 108,444 D

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

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SEC 1474
 (9-02)

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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
Employee Stock Option (Right to Buy)	\$ 25.83	02/19/2008		A	3,806	02/19/2011 ⁽³⁾ 02/19/2015	Common Stock	3,806
Employee Stock Option (Right to Buy)	\$ 25.83	02/19/2008		A	7,612	02/19/2009 ⁽⁴⁾ 02/19/2015	Common Stock	7,612
Employee Stock Option (Right to Buy)	\$ 25.83	02/19/2008		A	65	02/19/2011 ⁽⁵⁾ 02/19/2015	Common Stock	65
Employee Stock Option (Right to Buy)	\$ 25.83	02/19/2008		A	14,935	02/19/2009 ⁽⁶⁾ 02/19/2015	Common Stock	14,935

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BATTAFARANO FRANK J 680 SOUTH FOURTH STREET LOUISVILLE, KY 40202			Exec VP & Pres, Hospital Div	

Signatures

Frank J.
Battafarano 02/20/2008

**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) These shares represent restricted stock granted to the reporting person. These shares vest in approximately equal annual installments over four years commencing on 2/19/09.
- (2) These shares represent restricted stock granted to the reporting person. These shares vest in approximately equal annual installments over three years commencing on 2/19/09.
- (3) This option becomes exercisable in the following installment: 3,806 on 2/19/11.
- (4) This option becomes exercisable in the following cumulative installments: 3,806 on 2/19/09 and 3,806 on 2/19/10.
- (5) This option becomes exercisable in the following installment: 65 on 2/19/11.
- (6) This option becomes exercisable in the following cumulative installments: 5,000 on 2/19/09, 5,000 on 2/19/10 and 4,935 on 2/19/11.

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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