

RIEDMAN M SUZANNE  
Form 4  
March 23, 2009

**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 \*  
RIEDMAN M SUZANNE

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)  
03/20/2009

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Sr. VP and General Counsel

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                    | 03/20/2009                           |                                                    | A                              | 2,500 (1) A \$ 0                                                  | 35,762                                                                                        | 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)

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

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| 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) | Amount or Number of Shares |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|----------------------------|
| Employee Stock Option (Right to Buy)       | \$ 15.06                                               | 03/20/2009                           |                                                    | A                              | 4,271                                                                                   | 03/20/2010 <sup>(2)</sup> 03/20/2016                     | Common Stock                                                  | 4,271                      |
| Employee Stock Option (Right to Buy)       | \$ 15.06                                               | 03/20/2009                           |                                                    | A                              | 729                                                                                     | 03/20/2010 <sup>(3)</sup> 03/20/2016                     | Common Stock                                                  | 729                        |

## Reporting Owners

| Reporting Owner Name / Address                                       | Relationships |           |                                  |       |
|----------------------------------------------------------------------|---------------|-----------|----------------------------------|-------|
|                                                                      | Director      | 10% Owner | Officer                          | Other |
| RIEDMAN M SUZANNE<br>680 SOUTH FOURTH STREET<br>LOUISVILLE, KY 40202 |               |           | Sr. VP and<br>General<br>Counsel |       |

## Signatures

M. Suzanne Riedman 03/23/2009

\*\*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 equal annual installments over four years commencing on 3/20/10.
- (2) This option becomes exercisable in the following cumulative installments: 938 on 3/20/10, 1,666 on 3/20/11 and 1,667 on 3/20/12.
- (3) This option becomes fully exercisable on 3/20/10.

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.