

ALTMAN WILLIAM M  
Form 4  
May 21, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
ALTMAN WILLIAM 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)  
05/18/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Senior V.P. Compliance

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 (A) or (D) Price			
Common Stock	05/18/2007		M	3,000 A \$ 15.91	46,039	D	
Common Stock	05/18/2007		M	6,000 A \$ 15.91	52,039	D	
Common Stock	05/18/2007		M	8,598 A \$ 11.03	60,637	D	
Common Stock	05/18/2007		M	5,368 A \$ 23.89	66,005	D	
Common Stock	05/18/2007		M	405 A \$ 23.89	66,410	D	

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Common Stock	05/18/2007	M	144	A	\$ 21.99	66,554	D
Common Stock	05/18/2007	M	1,412	A	\$ 21.99	67,966	D
Common Stock	05/18/2007	S	620	D	\$ 33.75	67,346	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)

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			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 15.91	05/18/2007		M		3,000		07/23/2003 <sup>(1)</sup>	07/23/2012	Common Stock	3,000
Employee Stock Option (Right to Buy)	\$ 15.91	05/18/2007		M		6,000		07/23/2005 <sup>(2)</sup>	07/23/2012	Common Stock	6,000
Employee Stock Option (Right to Buy)	\$ 11.03	05/18/2007		M		8,598		07/22/2005 <sup>(3)</sup>	07/22/2013	Common Stock	8,598
Employee Stock Option (Right to Buy)	\$ 23.89	05/18/2007		M		5,368		07/26/2005 <sup>(4)</sup>	07/26/2014	Common Stock	5,368

Buy)

Employee  
Stock

Option (Right to Buy)	\$ 23.89	05/18/2007	M	405	07/26/2005 <sup>(5)</sup>	07/26/2014	Common Stock	405
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Employee  
Stock

Option (Right to Buy)	\$ 21.99	05/18/2007	M	144	02/23/2007 <sup>(6)</sup>	02/23/2013	Common Stock	144
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Employee  
Stock

Option (Right to Buy)	\$ 21.99	05/18/2007	M	1,412	02/23/2007 <sup>(7)</sup>	02/23/2013	Common Stock	1,412
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ALTMAN WILLIAM M 680 SOUTH FOURTH STREET LOUISVILLE, KY 40202			Senior V.P. Compliance	

## Signatures

William M. Altman	05/21/2007
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         \*\*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 beginning on 7/23/03.
- (2) This option is exercisable in cumulative equal annual installments beginning on 7/23/05.
- (3) This option is exercisable in the following cumulative installments: 4,298 on 7/22/05 and 4,300 on 7/22/06.
- (4) This option is exercisable in cumulative equal annual installments beginning on 7/26/05.
- (5) This option is exercisable in the following cumulative installments: 203 on 7/26/05, 202 on 7/26/06 and 2,886 on 7/26/07.
- (6) This option is fully exercisable on 2/23/07.
- (7) This option becomes exercisable in the following cumulative installments: 1,412 on 2/23/07, 1,557 on 2/23/08, 1,557 on 2/23/09 and 1,557 on 2/23/10.

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.