BERZIN ANN C Form 4 January 12, 2009

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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Expires:

January 31, 2005

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if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

Check this box

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

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

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2. Issuer Name and Ticker or Trading

Symbol

5. Relationship of Reporting Person(s) to Issuer

below)

KINDRED HEALTHCARE, INC

[KND]

(Last) (First) (Middle) 3. Date of Earliest Transaction

(Month/Day/Year)

X_ Director 10% Owner Officer (give title Other (specify

(Check all applicable)

01/12/2009

(Street)

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

(Instr. 4)

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

NEW YORK, NY 10028

941 PARK AVENUE 8/9C

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I)

(Instr. 4)

(A) or

Reported Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities Acquired

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amo Underlying Secu (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	(A) or Dis (D) (Instr. 3, 4	•				
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	An or Nu of
Option Right to Buy	\$ 25.87	01/12/2009		D <u>(1)</u>		15,000	11/06/2007(1)	11/06/2016	Common Stock	1:
Option Right to Buy	\$ 19.77	01/12/2009		A <u>(1)</u>	19,628		11/06/2007(1)	11/06/2016	Common Stock	19
Option Right to Buy	\$ 25.38	01/12/2009		D <u>(2)</u>		5,000	01/10/2008(2)	01/10/2017	Common Stock	5
Option Right to Buy	\$ 19.4	01/12/2009		A(2)	6,542		01/10/2008(2)	01/10/2017	Common Stock	6

Reporting Owners

Reporting Owner Name / Address	Relationships
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Director 10% Owner Officer Other

BERZIN ANN C 941 PARK AVENUE 8/9C X NEW YORK, NY 10028

Signatures

Ann C. Berzin 01/12/2009

**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).

The reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The option was originally granted on 11/6/2006 and provides for vesting in cumulative equal annual installments over four years commencing on 11/6/2007. The amendment of the option permits the option to remain exercisable for the

- (1) original life of the option upon retirement or other similar separation of the reporting person from the Board of Directors of Kindred Healthcare, Inc. ("Kindred"). The replacement option also reflects prior adjustments under the Kindred Healthcare, Inc. 2001 Equity Plan for Non-Employee Directors (Amended and Restated) which were made upon the July 2007 spin-off of Kindred's former institutional pharmacy business.
- (2) The reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the "old" option and the grant of a replacement option. The option was originally granted on 1/10/2007 and provides for vesting in cumulative equal annual installments over four years commencing on 1/10/2008. The amendment of the option permits the option to remain exercisable for the original life of the option upon retirement or other similar separation of the reporting person from the Board of Directors of Kindred Healthcare, Inc. ("Kindred"). The replacement option also reflects prior adjustments under the Kindred Healthcare, Inc. 2001 Equity Plan for Non-Employee Directors (Amended and Restated) which were made upon the July 2007 spin-off of Kindred's former institutional

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pharmacy business.

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.