

KINDRED HEALTHCARE, INC
 Form 4/A
 April 07, 2006

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 *
 FRANKLIN MUTUAL ADVISERS
 LLC

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)
 101 JOHN F. KENNEDY
 PARKWAY
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/10/2006

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

SHORT HILLS, NJ 07078

4. If Amendment, Date Original Filed(Month/Day/Year)
 03/03/2006

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (A) or (D) | 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 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 | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction of | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Securities |
|------------------------|---------------|--------------------------------------|-------------------------------|-------------------|-------------------------|---|--|
|------------------------|---------------|--------------------------------------|-------------------------------|-------------------|-------------------------|---|--|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) | | | | |
|--|--|----------------------|------------------|---|------------------|------------------|---------------------------|-----------------|--------------|----------------------------|
| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Option (Right to Buy) ⁽¹⁾ ₍₂₎ | \$ 28.89 | 01/10/2006 | J ⁽³⁾ | | 5,000 | | 01/10/2007 ⁽⁴⁾ | 01/10/2016 | Common Stock | 5,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| FRANKLIN MUTUAL ADVISERS LLC 101 JOHN F. KENNEDY PARKWAY SHORT HILLS, NJ 07078 | | | X | |

Signatures

By: Bradley D. Takahashi, Vice President of Franklin Mutual Advisers, LLC 04/07/2006

__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 amendment revises the transaction code disclosure in Table II and clarifies certain footnotes.
- (2) This option was granted pursuant to the Kindred Healthcare, Inc. 2001 Stock Option Plan for Non-Employee Directors (Amended and Restated).

The grant was made to an employee of Franklin Mutual Advisers, LLC ("FMA") and previously reported on a Form 4 by such employee.
- (3) In accordance with FMA's internal policy, all cash and non-cash compensation issued to FMA's employee in connection with his service on the Issuer's Board of Directors will be distributed directly to FMA's investment management clients. Under the investment management contracts with FMA, FMA retains sole voting and investment power over these securities.
- (4) This option is exercisable in cumulative equal annual installments over four years commencing on 01/10/07.
- (5) See Exhibit 99.1 for text of footnote, which text is incorporated by reference herein.

Remarks:

Remarks: Exhibit List
Exhibit 99.1 - Footnote Text

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.