KINDRED HEALTHCARE, INC

Form 4

February 06, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

OMB 3235-0287 Number:

OMB APPROVAL

Washington, D.C. 20549

January 31, Expires: 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** Section 16.

Estimated average burden hours per response... 0.5

Form 4 or Form 5 obligations may continue. See Instruction

Check this box

if no longer

subject to

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * CHAPMAN RICHARD E			2. Issuer Name and Ticker or Trading Symbol KINDRED HEALTHCARE, INC [KND]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last) 680 SOUTH I	(First) FOURTH ST	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 02/05/2007	Director 10% Owner Other (specify below)		
LOUISVILLE	(Street) E, KY 40202		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City)	(Stata)	(7in)				

(City)	(State)	(Zip) Tabl	e I - Non-D	Perivative S	Securi	ties Acqu	iired, Disposed of	, or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Transaction Code (Instr. 8)	(,,			5. Amount of 6. Securities Ownership Beneficially Form: Direct Owned (D) or Following Indirect (I) Reported (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
			Code V	Amount	(A) or (D)	Price	Transaction(s) (Instr. 3 and 4)	(IIIsu: +)	
Common Stock	02/05/2007		M	10,000	A	\$ 15.91	73,625	D	
Common Stock	02/05/2007		M	13,174	A	\$ 11.03	86,799	D	

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.

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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. Transactic Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Expiration Date (Month/Day/Year)		7. Title and Amount Underlying Securitic (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Sha
Employee Stock Option (Right to Buy)	\$ 15.91	02/05/2007		M	10,000	07/23/2005(1)	07/23/2012	Common Stock	10,0
Employee Stock Option (Right to Buy)	\$ 11.03	02/05/2007		M	13,174	07/22/2004(2)	07/22/2013	Common Stock	13,1

Reporting Owners

Reporting Owner Name / Address	Relationships							
	Director	10% Owner	Officer	Other				
CHAPMAN RICHARD E			Exec VP					
680 SOUTH FOURTH STREET			& Chief					
LOUISVILLE, KY 40202			Admin					

Signatures

Richard E.
Chapman

**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 the following cumulative installments: 5,000 on 7/23/05 and 5,000 on 7/23/06.
- (2) This option is exercisable in the following cumulative installments: 8,444 on 7/22/04, 6,586 on 7/22/05 and 6,588 on 7/22/06.

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.

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