

GARRISON GARRY N

Form 4

January 12, 2009

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
GARRISON GARRY N

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)
4242 NE SAVANNAH ROAD
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
01/12/2009

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

JENSEN BEACH, FL 34957

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)							
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Option Right to Buy	\$ 27.9	01/12/2009	D ⁽¹⁾			5,000	01/10/2006 ⁽¹⁾	01/10/2015	Common Stock	5,000	
Option Right to Buy	\$ 21.33	01/12/2009	A ⁽¹⁾		6,542		01/10/2006 ⁽¹⁾	01/10/2015	Common Stock	6,542	
Option Right to Buy	\$ 28.89	01/12/2009	D ⁽²⁾			5,000	01/10/2007 ⁽²⁾	01/10/2016	Common Stock	5,000	
Option Right to Buy	\$ 22.08	01/12/2009	A ⁽²⁾		6,542		01/10/2007 ⁽²⁾	01/10/2016	Common Stock	6,542	
Option Right to Buy	\$ 25.38	01/12/2009	D ⁽³⁾			5,000	01/10/2008 ⁽³⁾	01/10/2017	Common Stock	5,000	
Option Right to Buy	\$ 19.4	01/12/2009	A ⁽³⁾		6,542		01/10/2008 ⁽³⁾	01/10/2017	Common Stock	6,542	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GARRISON GARRY N 4242 NE SAVANNAH ROAD JENSEN BEACH, FL 34957	X			

Signatures

Garry N.
Garrison 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).

(1) 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 1/10/2005 and provides for vesting in cumulative equal annual

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installments over four years commencing on 1/10/2006. 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 pharmacy business.

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 1/10/2006 and provides for vesting in cumulative equal annual installments over four years commencing on 1/10/2007. The amendment of the option permits the option to remain exercisable for the

- (2) 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.

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

- (3) 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.

Remarks:

This is a continuation of an earlier filing dated 1/12/2008.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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