

Lucchese John Joseph
Form 4
August 25, 2008

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
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Lucchese John Joseph

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)
08/21/2008

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
Sr. V.P. and Corp. Cont.

LOUISVILLE, 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) (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	08/21/2008		M		2,617	A	\$ 12.16	15,286 D
Common Stock	08/21/2008		M		2,246	A	\$ 8.43	17,532 D
Common Stock	08/21/2008		S		2,617	D	\$ 30.89	14,915 D
Common Stock	08/21/2008		S		600	D	\$ 30.83	14,315 D
Common Stock	08/21/2008		S		1,646	D	\$ 30.8	12,669 D

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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
Employee Stock Option (Right to Buy)	\$ 12.16	08/21/2008		M	2,617	07/23/2006 ⁽¹⁾ 07/23/2012	Common Stock	2,617
Employee Stock Option (Right to Buy)	\$ 8.43	08/21/2008		M	2,246	07/22/2006 ⁽²⁾ 07/22/2013	Common Stock	2,246

Reporting Owners

Reporting Owner Name / Address	Relationships
Lucchese John Joseph 680 SOUTH FOURTH STREET LOUISVILLE, KY 40202	Director 10% Owner Officer Other Sr. V.P. and Corp. Cont.

Signatures

John J. Lucchese 08/25/2008
 **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 has been fully exercisable since 7/23/2006.

(2) This option has been fully exercisable since 7/22/2006.

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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