Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A This return/report is for:
- [ ] a multiemployer plan;
- [X] a multiple-employer plan; or
- [ ] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
KINDRED 401 (K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1986

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

KINDRED HEALTHCARE INC.

680 SOUTH FOURTH ST
LOUISVILLE, KY 40202

2b Employer Identification Number (EIN)
61-1323993

2c Sponsor's telephone number
502-596-7300

2d Business code (see instructions)
623000

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2014	ANDREA ROMISHER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2014	ANDREA ROMISHER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b** EIN	
a Sponsor's name	**4c** PN	

5	Total number of participants at the beginning of the plan year	**5**	69605
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	48415
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	9285
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	57700
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	51
f	Total. Add lines **6d** and **6e**.	**6f**	57751
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	24489
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	1097
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2G 2J 2K 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(4)**	[ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1) [X] **R** (Retirement Plan Information)

(2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1) [X] **H** (Financial Information)

(2) [ ] **I** (Financial Information – Small Plan)

(3) [ ] ___ **A** (Insurance Information)

(4) [X] **C** (Service Provider Information)

(5) [X] **D** (DFE/Participating Plan Information)

(6) [ ] **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2013** **This Form is Open to Public Inspection.**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan	**B** Three-digit plan number (PN) ▶	
KINDRED 401 (K) PLAN		001
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
KINDRED HEALTHCARE INC.	61-1323993	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FROST BROWN TODD, LLC

61-0722001

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29 50	NONE	40779	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

T ROWE PRICE

52-1714114

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 25 28 38 49 50 52 59 62 64 65	NONE	2460	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

PIMCO FUNDS

840 NEWPORT CENTER DR
STE 300
NEWPORT BEACH, CA 92660

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 59	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

THORNBURG INVESTMENT MANAGEMENT

2300 N RIDGETOP RD
SANTA FE, NM 87506

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 59	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

LORD ABBETT & COMPANY

90 HUDSON ST
JERSEY CITY, NJ 07302

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 59	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

COLUMBIA WANGER ASSET MANAGEMENTLLC

04-3519872

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 59	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

OPPENHEIMER FUNDS INC

TWO WORLD FINANCE CENTER
225 LIBERTY ST 11TH FLOOR
NEW YORK, NY 10281

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 59	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

BLACKROCK

40 EAST 52ND STREET
NEW YORK, NY 10022

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 59	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

IRON CAPITAL ADVISORS

3355 LENOX ROAD
ATLANTA, GA 30326

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 27 50	NONE	22500	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T ROWE PRICE	15 21 25 28 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
THORNBURG INTERNATIONAL VALUE, R5 300 N RIDGETOP RD SANTA FE, NM 87506	SHAREHOLDER SERVICING FEE BASED ON 0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
THORNBURG INVESTMENT MANAGEMENT	28 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
THORNBURG INTERNATIONAL VALUE, R5 2300 N RIDGETOP RD SANTA FE, NM 87506	INVESTMENT MANAGEMENT FEE BASED ON 1.06%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T ROWE PRICE	15 21 25 28 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
LORD ABBETT & CO DEV GROWTH FUND 90 HUDSON ST JERSEY CITY, NJ 07302	SHAREHOLDER SERVICING FEE BASED ON 0.10%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
LORD ABBETT & COMPANY	28 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
LORD ABBETT & CO DEV GROWTH FUND 90 HUDSON ST JERSEY CITY, NJ 07302	INVESTMENT MANAGEMENT FEE BASED ON 0.77%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
PIMCO FUNDS	28 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIMCO TOTAL RETURN, INSTITUTIONAL 840 NEWPORT CENTER DR SUITE 300 NEWPORT BEACH, CA 92660	INVESTMENT MANAGEMENT FEE BASED ON 0.46%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T ROWE PRICE	15 21 25 28 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COLUMBIA WANGER ASSET MANAGEMENTLLC 227 W MONROW ST SUITE 3000 CHICAGO, IL 60606	SHAREHOLDER SERVICING FEE BASED ON 0.25%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
COLUMBIA WANGER ASSET MANAGEMENTLLC	28 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COLUMBIA ACORN INTERNATIONAL, Z 227 W MONROW ST SUITE 3000 CHICAGO, IL 60606	INVESTMENT MANAGEMENT FEE BASED ON 0.95%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T ROWE PRICE	15 21 25 28 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
OPPENHEIMER FUNDS INC TWO WORLD FINANCIAL CENTER 225 LIBERTY ST 11TH FLOOR NEW YORK, NY 10281	SHAREHOLDER SERVICING FEE BASED ON 0.15%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
OPPENHEIMER FUNDS INC	28 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
OPPENHEIMER DEVELOPING MARKETS, Y TWO WORLD FINANCIAL CENTER 225 LIBERTY ST NEW YORK, NY 10281	INVESTMENT MANAGEMENT FEE BASED ON 1.03%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T ROWE PRICE	15 21 25 28 38 49 50 52 59 62 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
BLACKROCK 40 EAST 52ND ST NEW YORK, NY 10022	SHAREHOLDER SERVICING FEE BASED ON 0.15%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
BLACKROCK	28 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
BLACKROCK HIGH YIELD BOND 40 EAST 52ND ST NEW YORK, NY 10022	INVESTMENT MANAGEMENT FEE BASTED ON 0.64%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
KINDRED 401 (K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
KINDRED HEALTHCARE INC.

D Employer Identification Number (EIN)
61-1323993

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: TRP STABLE VALUE FUND

b Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
52-1309931-001	C	106129322

a Name of MTIA, CCT, PSA, or 103-12 IE: TRP EQUITY INDEX TRUST FUND

b Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
52-6559833-001	C	37577156

a Name of MTIA, CCT, PSA, or 103-12 IE: TRP EQUITY INCOME TRUST

b Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
52-6559833-011	C	79536189

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
KINDRED 401 (K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KINDRED HEALTHCARE INC.

D Employer Identification Number (EIN)
61-1323993

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	946137	1387000
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	1903483	961625
(9) Value of interest in common/collective trusts	1c(9)	213339936	223242667
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	560621430	656448876
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	776810986	882040168
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	776810986	882040168

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	178907	
(B) Participants	2a(1)(B)	67560700	
(C) Others (including rollovers)	2a(1)(C)	4655384	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		72394991
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	56635	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		56635
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	24686097	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		24686097
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		25487442
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		103446385
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		226071550
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	124125911	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		124125911
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	40779	
(2) Contract administrator fees	2i(2)	2460	
(3) Investment advisory and management fees	2i(3)	22500	
(4) Other	2i(4)	1102	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		66841
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		124192752
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		101878798
l Transfers of assets:			
(1) To this plan	2l(1)		3350384
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSECOOPERS LLP **(2)** EIN: 13-4008324

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		50000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)
INTEGRACARE AND AFFILIATES 401(K) PLAN AND TRUST	20-8781607	001

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
KINDRED 401 (K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KINDRED HEALTHCARE INC.

D Employer Identification Number (EIN)
61-1323993

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 52-1481931

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 5008

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Kindred 401(k) Plan
EIN #61-1323993 Plan #001

Report on Audits of Financial Statements
for the years ended December 31, 2013 and 2012

And Supplemental Schedule
as of December 31, 2013

Kindred 401(k) Plan
Report on Audits of Financial Statements
for the years ended December 31, 2013 and 2012
and Supplemental Schedule
as of December 31, 2013

INDEX

Independent Auditor's Report……. 2

Financial Statements:

Statements of Net Assets Available for Benefits,
December 31, 2013 and 2012…….. 4

Statements of Changes in Net Assets Available for Benefits
for the years ended December 31, 2013 and 2012……..……. 5

Notes to Financial Statements…….. 6

Supplemental Schedule: *

Schedule H, line 4i – Schedule of Assets (Held at End of Year),
December 31, 2013……. 19

* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Independent Auditor's Report

Independent Auditor's Report

To the Participants and Administrator of the Kindred 401(k) Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Kindred 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012 and the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by T. Rowe Price Retirement Plan Services, Inc., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2013 and 2012 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Other Matter

The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2013 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

PricewaterhouseCoopers LLP

October 10, 2014

PricewaterhouseCoopers LLP, 201 E. Fifth Street, Suite 2400, Cincinnati, OH 45202-4707
T: (513) 723 4700, F: (513) 723 4777, www.pwc.com/us

Kindred 401(k) Plan
Statements of Net Assets Available for Benefits
December 31, 2013 and 2012

	2013	2012
Investments at fair value (Notes 3 and 6):		
Mutual funds	$ 656,448,876	$ 560,621,430
Collective trusts	223,242,667	213,339,936
Total investments at fair value	879,691,543	773,961,366
Contributions receivable from participants	1,387,000	946,137
Notes receivable from participants	961,625	1,903,483
Net assets available for benefits at fair value	882,040,168	776,810,986
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(1,483,183)	(4,815,256)
Net assets available for benefits	$ 880,556,985	$ 771,995,730

The accompanying notes are an integral part of these financial statements.

Kindred 401(k) Plan
Statements of Changes in Net Assets Available for Benefits
for the years ended December 31, 2013 and 2012

	2013	2012
Additions to net assets attributed to:		
Investment income:		
Dividend income	$ 24,686,097	$ 19,685,263
Net appreciation in fair value of investments (Notes 3 and 6)	132,265,900	67,178,418
	156,951,997	86,863,681
Contributions:		
Participants	67,560,700	72,998,291
Employer (net of forfeitures)	178,907	4,365,761
Rollovers	4,655,384	4,135,499
	72,394,991	81,499,551
Interest on notes receivable from participants	56,635	114,200
Plan mergers	3,350,384	168,772,230
Total additions	232,754,007	337,249,662
Deductions from net assets attributed to:		
Benefits paid to participants	124,125,911	80,722,789
Administrative expenses	66,841	43,717
Total deductions	124,192,752	80,766,506
Increase in net assets available for benefits	108,561,255	256,483,156
Net assets available for benefits:		
Beginning of year	771,995,730	515,512,574
End of year	$ 880,556,985	$ 771,995,730

The accompanying notes are an integral part of these financial statements.

1. Description of the Plan

The following description of the Kindred 401(k) Plan (the "Plan") provides only general information. Detailed descriptions of the Plan's benefits and provisions are contained in the Summary Plan Description and the Plan document which can be obtained from Kindred Healthcare, Inc. (the "Company").

General

The Plan was established January 1, 1986 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is a defined contribution plan which provides retirement and disability benefits to qualified employees of the Company. The Company is the sponsor and a committee appointed by the Company's Board of Directors is the administrator of the Plan ("Plan Administrator"). The Company appointed T. Rowe Price as the record keeper and trustee of the Plan (the "Trustee"). The Plan is funded with contributions from participants and the Company.

Eligibility

Employees are eligible to participate in the Plan the first of the month following or coincident with one month of service with no age requirements. Participants are eligible for employer matching contributions the first of the month following or coincident with one year of service.

Contributions

The Plan provides a savings feature allowed under Section 401(a) of the Internal Revenue Code (the "Code"). Participants can contribute through payroll deductions an amount not less than 1% or more than 50% of their compensation as defined in the Plan document, not to exceed the Code annual limitation of $17,500 in 2013 and $17,000 in 2012. The Plan also allows participants age 50 and older to make catch-up contributions up to $5,500 in both 2013 and 2012. The employer matching contribution of 50% of the first 4% of pay up to an annual maximum of $500 was suspended in 2012 and 2013. Employer matching contributions and catch-up contributions are invested according to the participant's contribution investment elections. Catch-up contributions are not eligible for employer matching contributions.

In addition to the regular employer matching contributions described above, the Company may make supplemental matching contributions to the Plan if certain financial targets are achieved by the Company. No supplemental matching contributions were made for 2013 or 2012.

The Company may also make, as determined by its Board of Directors, profit sharing contributions to the Plan. The profit sharing contribution is allocated to eligible participants, as defined in the Plan document, based upon each participant's compensation in relation to the total compensation of all eligible participants. No profit sharing contributions were made for 2013 or 2012.

The Plan accepts rollovers of pre-tax distributions in cash from most qualified retirement plans, 403(b) plans, governmental 457 plans, and Individual Retirement Accounts. Participants may take in-service withdrawals of these funds at any time.

1. Description of the Plan, continued

Plan Mergers

In June 2011, the Company acquired the operations and employees of RehabCare Group, Inc. ("RehabCare"). Former RehabCare employees continued to participate in the RehabCare qualified 401(k) plan through December 31, 2011. The Company merged $165,992,690 of assets from the RehabCare 401(k) plan into the Plan in January 2012.

In September 2011, the Company acquired the operations and employees of Professional Healthcare, LLC ("Professional Healthcare"). Former Professional Healthcare employees continued to participate in the Professional Healthcare qualified 401(k) plan through December 31, 2011. The Company merged $2,779,540 of assets from the Professional Healthcare 401(k) plan into the Plan in March 2012.

In September 2012, the Company acquired the operations and employees of IntegraCare, Inc. ("IntegraCare"). Former IntegraCare employees continued to participate in the IntegraCare qualified 401(k) plan through December 31, 2012. The Company merged $3,350,384 of assets from the IntegraCare 401(k) plan into the Plan in January 2013.

In October 2013, the Company acquired the operations and employees of TherEX, Inc. ("TherEX"). Former TherEX employees continued to participate in the TherEX qualified 401(k) plan through December 31, 2013. The Company merged the TherEx 401(k) plan into the Plan in January 2014.

In December 2013, the Company acquired the operations and employees of Senior Home Care, Inc. ("Senior Home Care"). Former Senior Home Care employees continued to participate in the Senior Home Care qualified 401(k) plan through December 31, 2013. The Company merged the Senior Home Care 401(k) plan into the Plan in April 2014.

Investment Options

The Plan offered 21 mutual funds and three collective trusts as investment options for participants during 2013 and 2012. Participants may change their investment of existing account balances and future contributions daily. In accordance with Code section 404(c), participants are responsible for investment decisions in all accounts, including participant funded and employer funded accounts.

Participant Accounts

Each participant's account is credited with the participant's contributions, employer matching contributions (as applicable), and allocations of Plan earnings or losses. Participant accounts are also charged with an allocation of administrative expenses. Allocations are based upon participant earnings or account balances as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

1. Description of the Plan, continued

Vesting

Participants are vested immediately in their contributions and earnings thereon. Vesting in employer matching contributions (as applicable) is based upon the participant's years of service with the Company. A participant becomes fully vested following four years of service. A participant vests in employer matching contributions as follows:

Participant Years of Service	Vesting Percentage
Less than one	0%
One but less than two	25%
Two but less than three	50%
Three but less than four	75%
Four or more	100%

Forfeitures

Forfeiture of employer matching contributions by participants who withdraw from the Plan prior to full vesting reduces future matching contributions by the employer in accordance with the Plan document. Forfeited account balances applied to reduce employer contributions in 2013 and 2012 totaled $695,000 and $247,299, respectively. Forfeited account balances not yet applied to reduce future employer contributions totaled $170,864 and $163,218 at December 31, 2013 and 2012, respectively.

Payment of Benefits

Upon termination of service due to retirement, death, or disability, a participant or participant's beneficiary may receive a lump-sum distribution equal to the vested balance of their account, or if the account balance exceeds $5,000, the participant may defer payment until April 1 following the attainment of age 70 ½. In the event of financial hardship, as defined in the Plan document, a participant may withdraw all or any part of their contributed amounts, regardless of age. Participants are limited to two hardship withdrawal distributions per calendar year.

Employees age 59 ½ or older may request an in-service withdrawal of all or any part of their contributed or vested employer contributed amounts. All profit sharing amounts are eligible for in-service withdrawal, regardless of age.

1. Description of the Plan, continued

Expenses

Certain Plan expenses are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Notes Receivable from Participants

Although the Plan does not contain a provision that allows participants to take loans from the Plan, it does allow for repayment of loans acquired through plan mergers.

Outstanding RehabCare 401(k) participant loans were transferred to the Plan in January 2012, outstanding Professional Healthcare 401(k) participant loans were transferred in March 2012 and outstanding IntegraCare 401(k) participant loans were transferred in January 2013, as part of the respective plan mergers.

Principal and interest are paid ratably through payroll deductions. The interest rate charged to participants is a fixed rate equal to the Prime Rate, as stated in the Wall Street Journal as of the day the loan is initiated, plus 1%. Outstanding loans become due and payable in full upon the loan's maturity date or for terminated participants, the end of the calendar quarter following the calendar quarter in which a participant terminates. The loans are secured by the balance in the participant's account and bear interest rates ranging from 3.25% to 10.25% at December 31, 2013 and 3.3% to 9.7% at December 31, 2012.

No new 401(k) participant loans will be issued under the Kindred 401(k) Plan.

Plan Termination

Although the Company expects to continue the Plan, it reserves the right to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Should the Company elect to terminate the Plan, participants would become fully vested in their employer matching contribution balances.

2. Accounting Policies

Basis of Accounting

The financial statements and supplemental schedule have been prepared on the accrual basis in accordance with generally accepted accounting principles in the United States of America and may include amounts based upon the estimates and judgments of the Plan's management. Actual amounts may differ from those estimates.

2. Accounting Policies, continued

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Mutual funds are stated at fair value as determined by quoted market prices, which represents the net asset value of shares held by the Plan. The Plan's interests in collective trusts are based upon the fair value of the collective trusts' units held by the Plan, which is based upon information reported by the Trustee using the audited financial statements of the collective trusts. There are no restrictions on participant redemptions and there are no unfunded commitments for investments in collective trusts. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidation will be carried out in an orderly manner.

As described in the authoritative guidance related to reporting for fully benefit-responsive investment contracts, the investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in fully benefit-responsive investment contracts through a collective trust. Contract value for this collective trust is based upon the net asset value of the fund as reported by the Trustee. As required, the Statements of Net Assets Available for Benefits presents the fair value of the investment in the collective trust as well as the adjustment from fair value to contract value related to the fully benefit-responsive investment contracts. The Statements of Changes in Net Assets Available for Benefits is prepared on a fair value basis.

At December 31, 2013 and 2012, all Plan investments were held by the Trustee.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized gains or losses on the sale of investments, together with unrealized appreciation or depreciation in investments, are presented as net appreciation or depreciation in fair value of investments in the accompanying Statements of Changes in Net Assets Available for Benefits.

The average yield earned by the Stable Value Fund (which may differ from the interest rate credited to Participants in the Stable Value Fund) was 2.06% for 2013 and 2.36% for 2012. This average yield was calculated by dividing the annualized earnings of all investments in the Stable Value Fund (irrespective of the interest rate credited to Participants in the Stable Value Fund) by the fair value of all investments in the Stable Value Fund.

The average yield credited to Participants in the Stable Value Fund was 2.29% for 2013 and 2.45% for 2012. This average yield was calculated by dividing the annualized earnings credited to Participants for all investments in the stable Value Fund (irrespective of the actual earnings of the investments in the stable Value Fund) by the fair value of all investments in the Stable Value Fund.

2. Accounting Policies, continued

Payment of Benefits

Benefits are recorded when paid.

Valuation of Notes Receivable from Participants

Notes receivable from participants are recorded at amortized cost, unpaid principal plus accrued interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses was recorded at December 31, 2013 or 2012. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loans to be in default, the participant's notes receivable balance is reduced and a benefit payment is recorded.

3. Investments

The fair value of investments at December 31, 2013 and 2012 were as follows:

	2013			2012		
	# Shares or Units	Fair Value		# Shares or Units	Fair Value	
Mutual Funds:						
PIMCO Total Return Fund	5,149,772	$ 55,051,064	*	5,733,576	$ 64,445,397	*
Thornburg International Value Fund	841,530	26,945,805		893,260	25,047,013	
Lord Abbett Developing Growth Fund	622,950	17,648,172		506,216	10,868,447	
Columbia Acorn International Fund	317,173	14,805,653		293,801	11,998,841	
Blackrock High Yield Bond Inst	329,849	2,708,063		239,047	1,933,893	
Oppenheimer Develop Markets Fund	55,328	2,078,107		25,489	889,046	
T. Rowe Price:						
Mid Cap Growth Fund	1,253,416	91,223,610	*	1,270,974	71,771,877	*
Growth Fund	1,342,487	70,574,535	*	1,402,685	52,993,422	*
Small Cap Value Fund	457,725	23,055,615		458,805	17,971,399	
Retirement Fund	451,872	6,678,669		500,292	6,979,073	
Retirement Fund 2005	146,357	1,890,932		204,985	2,488,519	
Retirement Fund 2010	655,222	11,676,058		750,546	12,361,499	
Retirement Fund 2015	2,243,448	32,126,173		2,425,134	31,235,731	
Retirement Fund 2020	3,530,848	71,994,000	*	3,689,781	65,973,292	*
Retirement Fund 2025	3,369,656	51,825,304	*	3,298,381	43,274,758	*
Retirement Fund 2030	2,853,389	64,486,588	*	2,880,089	54,491,285	*
Retirement Fund 2035	2,241,696	36,494,812		2,178,832	29,152,768	
Retirement Fund 2040	1,948,631	45,617,456	*	1,863,582	35,575,781	
Retirement Fund 2045	1,078,647	16,837,682		990,073	12,583,824	
Retirement Fund 2050	827,053	10,801,306		689,477	7,349,822	
Retirement Fund 2055	149,209	1,929,272		116,446	1,227,341	
Money Market Fund	-	-		8,402	8,402	
		656,448,876			560,621,430	
Collective Trusts:						
T. Rowe Price:						
Stable Value Fund	104,646,139	106,129,322	*	112,008,737	116,823,993	*
Equity Income Trust	4,934,007	79,536,189	*	5,446,236	67,478,865	*
Equity Index Trust	1,816,199	37,577,156		1,856,591	29,037,078	
		223,242,667			213,339,936	
Total Investments		$ 879,691,543			$ 773,961,366	

*Represents 5% or more of net assets available for benefits at fair value at December 31 of the respective year.

3. Investments, continued

The Plan invests in mutual funds and collective trusts, some of which are managed by the Trustee. Retirement funds are mutual funds in which the asset allocation changes over time based upon the age of the participant in relation to the targeted retirement age of the participant.

The Plan's net appreciation in fair value of investments in 2013 and 2012 was as follows:

	2013	2012
Mutual funds	$ 103,446,385	$ 53,275,515
Collective trusts	28,819,515	13,902,903
Total	$ 132,265,900	$ 67,178,418

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The authoritative guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity that are significant to the fair value of the assets or liabilities. Fair value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

3. Investments, continued

The Plan's financial assets measured at fair value on a recurring basis at December 31, 2013 and 2012 was as follows:

	December 31, 2013			
	Level 1	**Level 2**	**Level 3**	**Assets at Fair Value**
Mutual Funds:				
Retirement funds	$ 352,358,252	$ -	$ -	$ 352,358,252
Mid cap fund	91,223,610	-	-	91,223,610
Bond funds	57,759,127	-	-	57,759,127
Growth fund	70,574,535	-	-	70,574,535
International funds	43,829,565	-	-	43,829,565
Small cap value fund	23,055,615	-	-	23,055,615
Small cap growth fund	17,648,172	-	-	17,648,172
Collective Trusts:				
Stable Value Fund	-	106,129,322	-	106,129,322
Equity Income Trust	-	79,536,189	-	79,536,189
Equity Index Trust	-	37,577,156	-	37,577,156
	$ 656,448,876	$ 223,242,667	$ -	$ 879,691,543

	December 31, 2012			
	Level 1	**Level 2**	**Level 3**	**Assets at Fair Value**
Mutual Funds:				
Retirement funds	$ 302,693,693	$ -	$ -	$ 302,693,693
Mid cap fund	71,771,877	-	-	71,771,877
Bond funds	66,379,290	-	-	66,379,290
Growth fund	52,993,422	-	-	52,993,422
International funds	37,934,900	-	-	37,934,900
Small cap growth fund	10,868,447	-	-	10,868,447
Small cap value fund	17,971,399	-	-	17,971,399
Money market fund	8,402	-	-	8,402
Collective Trusts:				
Stable Value Fund	-	116,823,993	-	116,823,993
Equity Income Trust	-	67,478,865	-	67,478,865
Equity Index Trust	-	29,037,078	-	29,037,078
	$ 560,621,430	$ 213,339,936	$ -	$ 773,961,366

There were no significant transfers between level 1 and level 2 investments during 2013 or 2012.

4. Risks and Uncertainties

The Plan provides various investment options in registered investment companies and collective trusts which invest in stocks, bonds, fixed income securities, and other investment securities. These investments are subject to various risks, including interest rate, market and credit risks. Due to the risks associated with certain investments, it is possible that changes in the value of these investments could impact participants' account balances and the amounts reported in the accompanying Statements of Net Assets Available for Benefits and Statements of Changes in Net Assets Available for Benefits.

5. Related-Party Transactions

Certain Plan investments are mutual funds and collective trusts managed by the Trustee. Transactions in these investments qualify as party-in-interest transactions. These balances totaled $760,454,679 and $658,778,729 at December 31, 2013 and 2012, respectively. Fees incurred for investment management services are included in net appreciation in fair value of the investments.

The Plan made no direct payment to the third party administrator. The Plan sponsor pays any other fees related to the Plan's operations.

The Plan is not charged for administrative services performed by the Company. These administrative services qualify as party-in-interest transactions.

6. Information Certified by the Trustee

The Plan Administrator has elected the method of annual reporting permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee has certified that investments and investment income and loss as set forth below and included in the accompanying financial statements are complete and accurate.

	2013	2012
Investments:		
Mutual funds	$ 656,448,876	$ 560,621,430
Collective trust	223,242,667	213,339,936
Total investments at fair value	879,691,543	773,961,366
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(1,483,183)	(4,815,256)
Total investments at contract value	878,208,360	769,146,110
Notes receivable from participants	961,625	1,903,483
Total assets at contract value	$ 879,169,985	$ 771,049,593
Investment income:		
Interest and dividend income	$ 24,686,097	$ 19,685,263
Net appreciation in contract value of investments	132,265,900	67,178,418
Interest on notes receivable from participants	56,635	114,200
Total investment income	$ 157,008,632	$ 86,977,881

7. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the Form 5500 to the financial statements at December 31, 2013 and 2012.

	2013	2012
Net assets available for benefit at fair value per Form 5500	$ 882,040,168	$ 776,810,986
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	(1,483,183)	(4,815,256)
Net assets available for benefit at contract value per financial statements	$ 880,556,985	$ 771,995,730

The following is a reconciliation of net appreciation in fair value of investments per the Form 5500 to the financial statements for the years ending December 31, 2013 and 2012.

	2013	2012
Net appreciation in fair value of investments per Form 5500	$ 128,933,827	$ 68,609,373
Adjustments from fair value to contract value for fully benefit-responsive investment contracts:		
Prior year	4,815,256	3,384,301
Current year	(1,483,183)	(4,815,256)
Net appreciation in fair value of investment per financial statements	$ 132,265,900	$ 67,178,418

8. Income Tax Status

The Plan Administrator received a favorable tax determination letter from the Internal Revenue Service ("IRS") dated June 4, 2014. The Plan Administrator believes the Plan, as amended, continues to qualify and operate in accordance with the applicable provisions of the Code. Accounting principles generally accepted in the United States of America require plan management to evaluate tax provisions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator believes there are no uncertain positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements at December 31, 2013 or 2012. There are currently no audits in progress for any tax periods and the Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2010.

9. Subsequent Events

In January 2014, TherEX 401(k) plan assets totaling $7,690,821 were transferred to the Plan.

In April 2014, Senior Home Care 401(k) plan assets totaling $13,311,075 were transferred to the Plan.

The Plan Administrator has performed an evaluation of subsequent events through October 10, 2014, the date on which the financial statements were available for issuance. Except as described above, nothing came to the Plan Administrator's attention that was deemed necessary for disclosure.

Kindred 401(k) Plan
Plan Sponsor: Kindred Healthcare, Inc.
EIN #61-1323993 Plan #001
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2013

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor or Similar Party	**Description of Investment**	**Cost****	**Fair Value**
	REGISTERED INVESTMENT COMPANY (MUTUAL FUNDS):			
	PIMCO Total Return Fund	Mutual Fund	-	$55,051,064
	Thornburg International Value Fund	Mutual Fund	-	26,945,805
	Lord Abbett Developing Growth Fund	Mutual Fund	-	17,648,172
	Columbia Acorn International Fund	Mutual Fund	-	14,805,653
	Blackrock High Yield Bond Inst	Mutual Fund	-	2,708,063
	Oppenheimer Develop Markets Fund	Mutual Fund	-	2,078,107
	T. Rowe Price:			
*	Mid Cap Growth Fund	Mutual Fund	-	91,223,610
*	Growth Fund	Mutual Fund	-	70,574,535
*	Small Cap Value Fund	Mutual Fund	-	23,055,615
*	Retirement Fund	Mutual Fund	-	6,678,669
*	Retirement Fund 2005	Mutual Fund	-	1,890,932
*	Retirement Fund 2010	Mutual Fund	-	11,676,058
*	Retirement Fund 2015	Mutual Fund	-	32,126,173
*	Retirement Fund 2020	Mutual Fund	-	71,994,000
*	Retirement Fund 2025	Mutual Fund	-	51,825,304
*	Retirement Fund 2030	Mutual Fund	-	64,486,588
*	Retirement Fund 2035	Mutual Fund	-	36,494,812
*	Retirement Fund 2040	Mutual Fund	-	45,617,456
*	Retirement Fund 2045	Mutual Fund	-	16,837,682
*	Retirement Fund 2050	Mutual Fund	-	10,801,306
*	Retirement Fund 2055	Mutual Fund	-	1,929,272
	Total Mutual Funds		-	656,448,876
	COMMON/COLLECTIVE TRUSTS /SEPARATE ACCOUNTS:			
*	Stable Value Fund	Collective Trust	-	106,129,322
*	Equity Income Trust	Collective Trust	-	79,536,189
*	Equity Index Trust	Collective Trust	-	37,577,156
	Total Common/Collective Trusts/ Separate Accounts		-	223,242,667
	OTHER INVESTMENTS:			
*	Notes Receivable from Participants, Interest rate: 3.3% - 9.7% maturity dates 2014 - 2020	Participants loans	-	961,625
	Total Investments at Fair Value		$0	$880,653,168

* Party-in-interest

** Historical cost is not required as all investments are participat-directed.

This information has been certified as complete and accurate by T. Rowe Price Company

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Kindred 401 (k) Plan **EIN:** 61-1323993
Plan Sponsor's Name Kindred Healthcare Inc. **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	PIMCO Total Return Fund	Mutual Fund	57,028,901	55,051,064
	Thornburg International Value Fund	Mutual Fund	20,740,253	26,945,805
	Lord Abbett Developing Growth	Mutual Fund	14,636,066	17,648,172
*	TRP Mid Cap Growth Fund	Mutual Fund	64,061,280	91,223,610
*	TRP Growth Stock Fund	Mutual Fund	42,051,371	70,574,535
*	TRP Small-Cap Value Fund	Mutual Fund	17,084,093	23,055,615
*	TRP Prime Reserve Fund	Money Market Fund	0	0

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Kindred 401 (k) Plan **EIN:** 61-1323993
Plan Sponsor's Name Kindred Healthcare Inc. **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	TRP Retirement Income Fund	Mutual Fund	5,914,336	6,678,669
*	TRP Retirement Fund 2005	Mutual Fund	1,625,065	1,890,932
*	TRP Retirement Fund 2010	Mutual Fund	9,777,948	11,676,058
*	TRP Retirement Fund 2015	Mutual Fund	26,123,320	32,126,173
*	TRP Retirement Fund 2020	Mutual Fund	56,782,712	71,994,000
*	TRP Retirement Fund 2025	Mutual Fund	39,585,241	51,825,304
*	TRP Retirement Fund 2030	Mutual Fund	48,906,462	64,486,588

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Kindred 401 (k) Plan **EIN:** 61-1323993
Plan Sponsor's Name Kindred Healthcare Inc. **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	TRP Retirement Fund 2035	Mutual Fund	26,874,002	36,494,812
*	TRP Retirement Fund 2040	Mutual Fund	34,024,798	45,617,456
*	TRP Retirement Fund 2045	Mutual Fund	12,642,710	16,837,682
*	TRP Retirement Fund 2050	Mutual Fund	8,515,751	10,801,306
*	TRP Retirement Fund 2055	Mutual Fund	1,568,566	1,929,272
	Oppenheimer Develop Markets Y	Mutual Fund	1,924,444	2,078,107
	Columbia Acorn Intl Z	Mutual Fund	11,826,308	14,805,653

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Kindred 401 (k) Plan **EIN:** 61-1323993
Plan Sponsor's Name Kindred Healthcare Inc. **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Blackrock High Yield Bond Inst	Mutual Fund	2,651,928	2,708,063
*	TRP Equity Index Trust C	Collective Trust	26,456,429	37,577,156
*	TRP Equity Income Trust A	Collective Trust	55,638,062	79,536,189
	TRP Stable Value Fund N	GIC	106,129,322	106,129,322
	Participant Loan	Loan	0	961,625