

The Affordable Care Act allows states to regulate the premiums of qualified health plans offered in the Health Insurance Marketplaces (i.e., Obamacare). In 2023, Texas implemented a new regulation known as premium alignment. This policy aimed to increase the affordability of robust, gold-level Marketplace coverage by reducing the cost of gold coverage relative to silver coverage. Using 2018-2024 Landscape Qualified Health Plan and Open Enrollment Period Public Use Files, we evaluated the impact of premium alignment on premiums and enrollment for subsidized Marketplace enrollees using a difference-in-differences approach. We found that premium alignment reduced the post-subsidy premiums of the lowest cost gold plans by 27.2 dollars per month for enrollees with incomes between 200-250% of the federal poverty level (FPL), and 32.0 dollars per month for both 250-300% and 300-400% FPL enrollees. In turn, premium alignment increased 200-250% FPL enrollment by 23.6%, 250-300% FPL enrollment by 18.1%, and 300-400% FPL enrollment by 17.7%. Our back-of-the-envelope calculations indicate premium alignment increased enrollment in Texas' Marketplace by 92,000 enrollees in 2023 and 2024. Broadly, our findings suggest that premium alignment may improve Marketplace coverage affordability, particularly if enhanced premium tax credits from the Inflation Reduction Act expire at the end of 2025.