

Mental Health Services Could Strain Under Student Loan Caps

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Fresh limits on graduate student debt will exacerbate shortages in mental and behavioral health fields, stakeholders warn.

Republicans' tax-and-spending bill signed into law last summer capped federal graduate loans at \$100,000 and for a "professional degree" at \$200,000, starting July 1.

Psychiatrists, social workers, payers, and others in the behavioral health field are sounding the alarm that these limits fall short of what students need financially. Private loans are an option, but stakeholders warn these can be expensive, have less favorable borrowing terms, and may not be accessible to all students.

Students looking into psychiatry, for instance, still face towering debt loads even though their cap is set at the higher \$200,000 limit, said Robert Trestman, chair of the American Psychiatric Association's Council on Healthcare Systems and Financing.

"To become a physician in this country, with rare exception, costs a lot of money," he said. Psychiatrists must attend medical school, but aren't compensated as highly as interventionists and specialized surgeons.

"We're creating a really perverse incentive that's going to make it more difficult to recruit the highly capable physicians we need to provide care," he said.

Targeting Graduate Debt

The student loan caps come as part of a bid to curb ballooning graduate school debt.

But those efforts to cut back—and how the department proposes to implement them—has sent shockwaves through the health care industry.

The Education Department listed 11 programs and degrees as "professional" subject to the upper limit, but groups that didn't make the cut are lobbying to get added to that list.

Not only does this proposal create financial barriers for nurses and social workers, whose aggregate loans would be capped at \$100,000, but it also adds stigma to the professions, said Linda Hurley, president and CEO of CODAC Behavioral Healthcare in Rhode Island, which provides services for individuals struggling with opioid use disorders.

"This harms us in the way that individuals view our workforce," she said. "This kind of graduate degree versus professional degree piece, it stigmatizes all these really really

on the ground roles that people play. As opposed to elevating them for the work that they do, it further diminishes their value.”

Shortages Projected

The new policy comes as behavioral health care is already expected to face shortages in the tens of thousands by 2038, according to the Health Resources and Services Administration.

The federal health agency projects that there will be a shortage of 43,810 psychiatrists, 99,840 psychologists, 99,780 mental health counselors, and 77,050 addiction counselors, based on current use of behavioral health services.

The student loan restrictions will continue worsening shortages, leading to restricted access, delaying care and resulting in worse health outcomes, said Maeghan Gilmore, vice president of government affairs for the Association for Behavioral Health and Wellness, which represents payers managing behavioral health insurance benefits.

The group said in comments to the Department of Education that social workers, counselors and nurses help meet the mental health needs in the country, and these professions require master’s degrees and financial investment. Not including these areas of education in the “professional degree” definition would deter students from entering these professions and exacerbate the workforce shortage, ABHW warns.

Delays in care will end up driving up health costs because patients will then need higher levels of care as their health worsens, Gilmore added. “It might result then in inpatient care, which maybe they wouldn’t have needed had they been able to access that service and that provider to get them on a treatment plan and moving forward,” Gilmore said.

The loan limits are coming as states gear up to enforce new work requirements on Medicaid beneficiaries. Individuals with substance use disorders are exempted from the requirements under the GOP-backed law. Hurley at CODAC Behavioral Healthcare said her staff is already preparing to assist individuals through the new Medicaid process.

Hurley acknowledged that these are also the very workers that will be strained by the limits on federal student loans.

“We’ve set up the meetings, we’ve started to look at, if we have this much attrition, what programs do we have to cut?” Hurley added.